

# COMMERCIAL CORRESPONDENCE

# COMMERCIAL CORRESPONDENCE

BY

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THIRD EDITION  
*Revised and Enlarged.*

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## PREFACE TO THE SECOND EDITION

In this edition the book has been thoroughly revised and an outline of Secretarial Practice and one hundred selected exercises have been added. The exercises are graduated and are designed to cover the whole subject. Some of them are original, but the greater number have been selected from examination papers. It is hoped that the book will now prove more useful and popular.

I gratefully acknowledge the help that I have received from many who have used the First Edition and have given me the benefit of their advice.

July, 1946.

AUTHOR

## PREFACE TO THE THIRD EDITION

In this edition the book has been thoroughly revised and considerably enlarged. Copious exercises have been given at the end of the chapters, and this, it is hoped, will add to the usefulness of the book.

I must thank those who helped me with their valuable suggestions.

June, 1949.

AUTHOR.



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# CHAPTER I

## IMPORTANCE OF COMMERCIAL CORRESPONDENCE

Commercial Correspondence includes all kinds of letters that may be used in conducting business transactions. Its function is to open up and maintain business relations, to introduce, promote and conclude transactions. It brings men far distant into communication, so that people who have never met nor are ever likely to meet, may maintain the closest business relations with one another. It is, thus, a very valuable instrument with business men who from one corner of the globe can now find markets all over the world.

### The Tongue or the Pen.

No doubt, personal solicitation is sometimes preferred to that by letter. But personal solicitation, even when possible, involves great expense and much time. That is why the pen is being more widely used than the tongue. To quote an eminent writer, "The tongue and the pen are both of them interpreters of the mind; but I hold the pen the more faithful of the two. The tongue, being seated in a most slippery place, may fail and falter in her sudden extemporal expressions; but the pen, having the greater advantage of premeditation, is not so subject to error, and leaves things behind it upon firm and authentic record." The wily diplomat may prefer the tongue to the pen and thus "reserve to himself liberty either to disavow or to expound." The honourable business man, however, will think otherwise. He will always be in favour of the written statement for it is a permanent record, and will never think of disavowing his words.

## The Telephone.

Some people think that commercial correspondence is losing its importance owing to the advent of the telephone. Nothing could be farther from the truth. Inquiries, no doubt, are often made now-a-days on the telephone where a letter would formerly have been necessary. But it is the almost invariable practice to confirm by letter any agreement made on the telephone. A telephone conversation is no evidence. Besides, a well-written letter will, in most cases, promote business where an impromptu telephone call will fail. The English Sale of Goods Act, 1893, lays down that save under two circumstances, a contract involving goods to the value of £10 and upwards, to be enforceable by action, must be made in writing. Although there is no corresponding section in the Indian Sale of Goods Act, 1930, a fruitful source of trouble and misunderstanding may be eliminated if all agreements, whether made on the telephone or orally at an interview, are confirmed by letters.

## Fresh Impetus.

The telephone or personal solicitation cannot relegate the letter to a humble position. On the contrary; there is every reason to believe that the scope and importance of commercial correspondence will grow everyday. The letter is cheaper; it can handle accurately and without ambiguity the most intricate transactions. One may find it difficult to refuse a request at an interview, but it becomes very easy in writing. As it is, the volumes of letters written to-day were not even dreamt of by the business men of fifty years ago. During the last fifty years, there have been remarkable improvements in the means of transport. Postal and cable facilities have extended rapidly and new markets have been thrown open. Everyday, air transport is becoming more rapid and reliable; the air-mail rates are falling. Along with these we may expect that other innovations like the Business Reply Card will come into use. Such being the case, commercial correspondence can justly be regarded as a subject that will increase in volume, importance and interest.

### Essential For Business Career.

Thus, Commercial Correspondence plays an important part in world's commerce. The ability to write such letters is undoubtedly one of the most important accomplishments which the student of commerce can possess. The study of the art of writing good business letters, therefore, is justly looked upon as an invariable preliminary to a business career.

## CHAPTER II

### THE STRUCTURE OF THE LETTER

A business letter must conform to the regular pattern or form handed down by custom. This form has been gradually evolved and has been found to be most convenient. By conforming to it nothing is lost, but much is gained. The reader may know at a glance where the letter comes from, who wrote it, when was the letter written, where to send the reply and so forth. Strangeness in form may well distract his attention from matters of real importance. Even when conforming to the custom, we may impart a personal touch to our letters and make them effective and original. There is hardly any room for innovations in the form of a business letter. The man who poses as a reformer and makes changes in the form is sure to suffer in business, for people will justly look upon him with suspicion and refuse to do business with him.

For the sake of convenience, we may split up a business letter into the following six parts:—

1. The Heading (*i.e.*; Name of the firm, Address, Date, Phone No. etc.).
2. The Inside Address.
3. The Greeting.
4. The body of the Letter.

5. The Complimentary Close.
6. The Signature.

### 1. The Heading.

This is an important element in most business letters. Different firms use different kinds of headings according to their tastes. Some prefer the elaborate heading with flourishes and frillings, others insist on having a picture of their office-premises on it and so on. The best plan is perhaps to give the name of the firm, the line of business, the address, the telegraphic address, the code used and the telephone number, and to see that the printing is in accord with the quality of paper used. When the letter is sent from a special department, such as the Publicity Department, the Agency Department, etc., the name of the department may also be added with advantage. All superfluities should be avoided. If the name of the firm and its address are hidden under elaborate designs, the heading may become less legible. The picture of the office-premises often grossly exaggerated, very frequently mars the effect and dignity of the heading. Some are in the habit of giving in the heading the names of all their branches. A firm may have fifty branches in the country, but is it necessary to advertise it in every letter? Symbols and trade-marks of a suitable nature are sometimes incorporated in the heading with advantage. Sometimes, an index or letter reference is given at the head of a letter with a request that it should be quoted in the reply so as to facilitate easy access to the copy; thus.

In your reply please quote R. 339
---

In your reply	R
Please Quote	339

In these cases R denotes the book in which the copy of the letter has been kept, 339 being the number of the page. When the reply is received with these particulars, it becomes easy to refer to the original letter.

The place and date of writing are given on the right-hand corner at the top. This is certainly a wise device, for the position is a prominent one and is likely to attract notice at once. It need not be pointed out that the place and date have important bearings upon the letter. One ought to feel rebuked when the correspondent, however genially, refers to the letter as "your letter dated nil" or "your undated letter . . . . ." The date is usually found given in a variety of ways, such as,—

15. 10. 41.

15/10/41.

15-10-41.

October 15, 1941.

15th October, 1941.

The first three modes cannot be recommended. They require the month to be calculated; the typist has to be careful lest the digits should come too close together and create confusion. Moreover, they may give rise to confusion in foreign correspondence, for while in the United Kingdom the practice is to write the day of the month followed by the name of the month, in U.S.A., the month is stated first, the day of the month comes next. The fourth one also requires the typist to be careful about the spacing between the two digits. The last method seems best, because (a) it spares the reader's time and thought, and (b) excludes all chances of ambiguity.

The recognised abbreviations for the months are,—Jan., Feb., Mar., Apr., Aug., Sept., Oct., Nov., and Dec. May, June and July are not abbreviated. It is, however, considered more dignified to give the names of the months in full.

## 2. The Inside Address.

This consists of the name and address of the person or firm to whom the letter is written. This is generally written on the left hand side immediately above the greeting *e.g.*

The Universal Trading Co., Ltd.,  
30, Canning Street,  
Calcutta.

But the modern tendency is to type the address in a column form; as,

The Universal Trading Co., Ltd.,  
30, Canning Street,  
Calcutta.  
Messrs De, Dutt & Co.  
12, Clive Street,  
Calcutta.

Obviously, this form has one advantage; it does not entail the shifting of the carriage of the typewriter.

*Note*—*Messrs* should not be used—

- (a) before names of firms trading under an impersonal title;
- (b) before names such as *Birla Laboratories Ltd.*, where the word *Laboratories* is the principal word;
- (c) when the name of the firm already includes a courtesy title, *e.g.*, Sir Isaac Pitman & Sons, Ltd.

A business letter may be written to (a) a firm, (b) a private gentleman, (c) a professional man such as a doctor, a lawyer, etc., (d) a tradesman, (e) an unmarried woman or (f) a married woman. The correct method of writing the addresses should, therefore, be noted.

(a) See above.

(b) and (c) When the letter is written to a private gentleman or a professional man, *Esquire* or its abbreviation *Esq.* should be used after the name *e.g.*

K. C. Barman, Esq.  
12, Earle Street,  
Calcutta.

P. K. Sen, Esq., Bar-at-Law,  
14, Fern Road,  
Calcutta.

R. N. Sen, Esq., M.B., D.T.M.  
15, Janak Road,  
Calcutta.

(d) The name of a tradesman should be preceded by *Mr.* But now-a-days, *Esq.* is, by courtesy, applied even to people who have no claim to it. Thus,—

Mr. B. K. Ray,  
Bookseller,  
10, College Row.  
Calcutta.

(e) and (f) The name of an unmarried woman should be preceded by *Miss* and that of a married woman by *Mrs.* e.g.

Miss Bela Haldar.  
Mrs. Rukmini Chatterjee.

*Note 1*—When *Mr.*, *Rev.*, *Dr.*, *Prof.*, *Capt.*, *Major*, etc., are prefixed to a name, *Esq.* must not be used after the name.

*Note 2*—*Esq.* should not be used unless the Christian name or the initials of the person addressed precede his surname.

*Note 3*—Letters denoting academic degrees should follow *Esq.*

### 3. The Greeting.

The Greeting or Salutation is the written substitute for the "Good Morning" with which we would begin our business talk. People may not take notice of the greeting, but its absence is very likely to be noticed and resented.

When addressing an individual, the chief forms are—

Dear Sir,

Dear Madam, (or simply, Madam),

Sir (when addressing a Govt. Official or an Editor).

My dear Sir, (where intimacy exists).



When addressing a firm or company, the usual forms are—

Dear Sirs,

Dear Mesdames, (when all the partners in the firm are ladies).

My dear Sirs, (in case of intimacy).

Gentlemen,

It should be noted that "Dear Sirs" is now most frequently in use, and the use of "Gentlemen" is steadily going out of fashion except in letters addressed to boards of directors, committees or public bodies. It should be remembered that the singular form *Gentleman* is never used as a form of greeting.

#### 4. The Body of the Letter.

This is the most important part of the letter. The other parts, though necessary, are only subordinate to it. The body of the letter contains the information we want to communicate. It should normally begin with a preliminary paragraph showing the relation of the letter to other letter or letters that might have preceded it. This part is separately dealt with in Chapter VI.

#### 5. The Complimentary Close.

This is the formal leave-taking and is written below the body of the letter on the right hand side. The days of elaborate leave-takings are gone. The forms generally in use now-a-days are—

Yours faithfully,  
Yours truly,  
Yours very truly,  
Yours respectfully,  
Yours obediently.

Of these, "Yours faithfully" serves most purposes, and may be commended. It should be noted that the close ends with a *comma*.

*Note 1*—Custom requires that the first and last words of the salutation should begin with capitals, but in the case of the complimentary close, only the

first word begins with capital. Thus, *Dear Sirs,*  
*My dear Sir, Yours faithfully, Yours very truly.*

*Note 2*—The complimentary close should never be abbreviated. It is an obnoxious practice to write "Yours &c.," "Yours filly" &c.

*Note 3*—The complimentary close should always be consistent with the salutation. A letter beginning with "*Gentlemen*" should not end *We remain, Dear Sirs, etc.*

*Note 4*—When the body of the letter ends with phrases like *Thanking you, Assuring you, With assurance etc.*, grammar requires that the words *I* (or *We*) *remain, I am, (or We are,)* should be inserted before the subscription, *Yours faithfully, etc.* In these cases, care should be taken that the personal pronoun agrees in number with the signature.

## 6. The Signature.

This consists of the name of the writer or the firm he represents. Its place is just below the complimentary close. The usual procedure is for the name of the firm to be typed in or stamped; immediately below this appears the signature of the person representing the firm. Immediately below this on the right hand side appears a note of his status in the firm; *e.g.*, Secretary, Manager, etc.

The nature of the signature will vary according to the authority of the person signing the letter. Thus the signature of a sole trader will differ from a partnership signature which again will differ from a legally authorised partnership signature. The following are principal types:—

- |                           |    |                |
|---------------------------|----|----------------|
| (a) A sole trader         | .. | U. N. Sen      |
| (b) Partnership Signature | .. | Sen, Ray & Co. |

(c) Partnership Signature .. Legally authorised ..	{	*per pro. Trivedi & Co., S. Mathur. or p. p. Trivedi & Co., S. Mathur.
(d) Unauthorised Signature .. (i.e. signature of a person having no legal authority) ..	{	for Burn & Sons, R. Ahmed. or pro (or per) Burn & Sons, R. Ahmed.

*Note 1*—The signature should always be in writing, not typed or stamped. The practice of typing the name in brackets below the signature is steadily coming into favour. It has one great advantage; it removes all doubt as to the name and spelling. It may be noted, however, that illegibility is no indication of importance.

*Note 2*—A woman should indicate her status in brackets *e.g.*, (Miss) J. Stapleton. A clergyman should also do likewise, *e.g.*, (Rev.) J. P. Thompson.

*Note 3*—When answering a letter, the particular form used by the writer in the signature should be used. Thus, if the signature runs as "M. Sreekumaram Nair," the address of the reply should be M. Sreekumaram Nair, Esqr., and not M. S. Nair, Esqr. Similarly, no arbitrary changes should be made in the name of a firm. One should not write L. N. Misra & Co., for Lakshmi Narain Misra & Co. The same rule applies also to the spelling of the name or names.

---

The power of signing the name of a firm belongs to the partners alone. But it is also given to an employee of the firm by means of a legal document called a Power of Attorney (or P/A). This empowers the employee to incur responsibilities and act on behalf of the firm. Those who sign under Power of Attorney are said to sign *per procurationem* (often abbreviated as *per pro*; *p. pro*; or *p.p.*) which means as a *representative of another*.

The following are the most popular methods of indicating the presence of enclosures:—

(1) The addition of the abbreviated word *Enc.*, or *Encs.*, if more than one, followed by the figure representing the number enclosed, at the left hand bottom of the letter. Thus, *Enc. 1.* or *Encs. 3.* Sometimes the nature of the enclosure is also noted; e.g. *Enc. Cheque 1.*

(2) The affixing of a bright paper seal bearing the abbreviation *Enc.*

(3) The affixing of a number to the letter and the same number to the enclosure. These numbered tabs are usually put up in books and are easily detachable.

### **Postscripts.**

Postscripts usually create a bad impression, and should, therefore, be avoided as far as practicable. They are after-thoughts, and, as such, indicate hurry and carelessness in composition. Unfortunately, some correspondents make a habit of adding postscripts. There are, of course, exceptional circumstances when a postscript cannot well be avoided. For instance, when after the completion of the letter, there is a change in the market which requires to be communicated at once, a postscript may be admissible.

The postscript begins with the abbreviation "P. S." and requires the signature or the initials of the writer of the letter.

## CHAPTER III

### STYLE FOR BUSINESS LETTERS

Some people are obsessed with the idea that business letters are to be written in a style altogether different from normal, everyday English. These people are responsible for the appalling mode of writing, mis-called Business English, which consists of stereotyped phrases, battered and bruised by millions of typewriters. There was a time, no doubt, when this mode of composition was considered necessary for business correspondence. The business men of those days used one sort of English for their business correspondence and another sort for all other purposes of life. But business has made immense strides since then, and the old order has changed yielding place to new.

The English of Commercial Correspondence should not be different from simple, everyday English. That was the opinion given by prominent business men before the Board of Education in England in 1921. These business experts were invited by the Board to say whether the use of business jargon was beneficial to their interests. The Report of the Board shows that they bore overwhelming testimony against business jargon. We give below an extract from the Report.

"With this evidence before us, we have no hesitation in reporting that 'Commercial English' is not only objectionable to all those who have the purity of the language at heart, but also contrary to the true interests of commercial life, sapping its vitality and encouraging the use of dry, meaningless formulae just where vigorous and arresting English is the chief requisite. Further, this sweeping condemnation by the leading business firms of the country demonstrates that, whatever its origin might have been, 'Commercial English' now continues to retain its hold upon commercial schools and colleges solely through the influence of an evil tradition and of the makers of text-books to whom such a tradition is of commercial value.

1. Think out clearly what you intend to say.
2. Say it.
3. Stop talking.

In this respect, those who have written for the sake of science will prove excellent guides for the writer of business letters. Well-known public men, on the contrary, often furnish the worst possible models of sentences in a business letter.

(b) *Simplicity.* Words are signs to represent thoughts. So it becomes imperative that such signs are chosen as are most readily interpreted. There is then no need to use long and 'learned' words in our business letters; nay more, simple words will serve the purpose better. Shake off the notion, if you have it, that long words and 'learned' expressions will lend dignity to your letters. Do not drag in long words just because they are long. Write simply. The language of the Authorised Version is very simple; but it still remains a model of effective composition. The unnecessary use of 'learned words' will often make our letters ridiculous or irritating. Consider, for example, the following letter:—

Dear Sirs,

We are endeavouring to discharge our pecuniary obligations as early as possible.

Will not such a letter, as one writer suggests, make you think of the prayer of Sir Toby Belch: "Oh for a stone bolt to hit him in the eye!"

Let it not be supposed, however, that 'learned' words should always be avoided. They have also their proper use. As a matter of fact, they are sometimes to be preferred to simple words. As the wise speaker considers his audience, so the wise writer will consider his readers. While writing to educated business men he will not hesitate to use 'learned' words, whenever necessary. By so doing, he will pay an implied compliment to their intellectual capacity.

The same rule applies to the use of technical terms or their abbreviations. These should be preferred when writing to people who may be expected to know their implications. There

are occasions, however, when technical terms become unavoidable. Many terms are very economical and dispense with a laborious definition. In these cases, it would be absurd to try to avoid these terms. But to use technical terms and their abbreviations always and for their own sake is a pitiable affectation.

(c) *Brevity*. Brevity, they say, is the soul of wit. It is also the soul of commercial correspondence. The writer of a business letter must curb his fancy. Rhetorical flourishes and sentimental effusions have no room here. All sorts of superfluities should be carefully avoided. We should never write two or more words when one would do. It means wasting both our own and our correspondent's time. Needless words and expressions make a letter weak and often make the sense difficult to follow. Consider the following letter—

Dear Sir,

On looking through our accounts we find that our November and December accounts against you amounting to a total of Rs. 125/- still remain unpaid.

Does it not imply that no regular and business-like survey of credits takes place at the firm? Why create such an impression? Better write,

“Your November and December accounts amounting to Rs. 125/- still remain unpaid”.

Consider, again, the following letter,—

Dear Sirs,

We have received to-day your letter of the 15th January, 1942 in which you enclose a cheque for Rs. 325/- on the Central Bank of India Ltd., in payment of your account outstanding, with a request to accept the cheque as full settlement of our account. In reply, we very much regret to say that we cannot comply with your request. . . . .

Is not this letter full of needless details? Better write,—

Dear Sirs,

We are sorry that we cannot accept the cheque enclosed with your letter of the 15th January, as full settlement of our account. . . . .

This is more direct and straightforward. It is also more effective. Indeed, brevity and force usually go together.

In our eagerness to attain brevity, we must not make our letters obscure. We should not scruple about using a few words more if that serves to make the sense clearer. Our letter must not be prolix; it must neither be a puzzle to the reader.

The great Oxford scholar, T. Gaisford, was famous for his Spartan brevity of speech. The Prime Minister offered him Greek Professorship, accompanying the offer with profuse compliments. To this, the scholar replied—

My Lord,

I have received your letter and accede to the contents.

Yours,

T. G.

In reply to a voluminous complaint from the father of an under-graduate, the same scholar wrote—

Dear Sir,

Such letters as yours are a great annoyance to

Your humble servant,

T. Gaisford.

These are interesting instances of terse letters. But business can hardly afford to indulge in such Spartan brevity.

(d) *Courtesy*. Commercial correspondence must be courteous. Courtesy costs us nothing. But much is gained by it. It wins for us the respect, sympathy and understanding of our correspondents. And business means the winning and keeping the respect of customers. "A discourteous letter is probably more detrimental than is personal discourtesy. The stigma of personal discourtesy attaches to the particular person guilty, and *may* be forgotten, but the discourteous letter reflects upon the firm as a firm, and, as the old Latin tag says, the written word remains."

Courtesy means consideration for the feelings of others. The writer of the business letter must remember that his correspondent is as much a self-respecting and enlightened human being as he



himself is. Courtesy may be shown in a variety of ways,—in the general tone of the letter, in spelling correctly the name of the person addressed, addressing him by his proper title, making prompt answers, complying with requests when no obligation is involved, and so on.

Our eagerness for brevity often makes our letters discourteous. This must be guarded against. Courtesy must never be sacrificed to brevity. Nothing offends more than a curt and rude letter. Consider the following letter,—

Dear Sir,

Yours to hand. The matter will be enquired into. The letter is brief, but unfortunately too brief and therefore, lacking in courtesy. How would you feel when your letter, on which you spent time and trouble, is slighted as “yours”? Does it not imply that the matter is too trivial to be mentioned? Would not that wound your feelings? Such a letter as this will surely destroy the goodwill which took years to build up.

Consider, again, the following answer to an inquiry,—

Dear Sir,

We don't deal in artificial silk stockings.

Yours faithfully.

The answer is simple, clear and brief. It gives the required information. Yet, it is far from satisfactory. It is lacking in courtesy. We could have helped our correspondent by giving him the name of some dealer in artificial silk stockings. We could have also tried to sell our genuine silk stockings, but that is another point to be discussed later on.

Indulgence in self-praise, again, makes our letters discourteous. Self-praise seldom inspires confidence; it tends to belittle the person addressed. To claim that one's firm is the biggest of its kind is easy enough, but very few people will believe in it. A good wine needs no bush, neither does a good reputation any emphasis. A keen business man will observe moderation in these things.

Very often the business man is called upon to handle unpleasant situations. It may be in connexion with a bad debtor or the delay in delivery of goods and the like. But even in these cases courtesy will pay.

Courtesy should not, however, be confused with servility or obsequiousness. "Business is mutual service, not a gift on one part and the reception of charity on the other". A servile letter will fail to win the respect of the correspondent.

## CHAPTER IV

### SOME COMMON FAULTS

While the business correspondent must conform to the characteristics mentioned in the previous chapter, he cannot disregard the elementary rules of grammar and composition. A business letter in slipshod English will certainly prejudice the interests of a business. "It is not claimed that 'Good English' and correct grammar in business letters sell goods; on the other hand neither does bad English". A man's personality is often reflected in his letters. Other things being equal, a letter which observes the rules of grammar and composition will surely create a better impression than one drafted without much regard to these rules. We propose, therefore, to discuss below some common faults, picked up from actual answer papers submitted by students.

#### Agreement of Verb.

The verb agrees with its nominative in number and person. Thus.

The *mechanism* of our watches *is* unique.

Your *letter* with enclosures *was* received yesterday.

Mr. Roy as well as Mr. Sen *is* coming here to-day.

**Copulative Verb.**

A copulative verb joins the same cases of nouns and pronouns. Thus,

It is I (not *me*).

**Collective Nouns.**

With nouns such as *the public, the committee, the company* etc.; a singular verb is used when the body of individuals named is considered as a whole. Thus,

The Committee *was* unanimous in its decision.

The Company *has been* allowing dividend from its inception. But when the stress is laid on the individual units of the group (Noun of Multitude), the verb is plural. Thus,

The committee *were* of different opinions.

**Plural Noun Considered as a Whole.**

When a plural noun is considered as one quantity or collection, the verb is singular. Thus,

Fifty *rupees* a month *is* sufficient pay for him.

Thirty *yards* of that silk *is* sufficient for our purpose.

**More than one.**

"*More than one*", though its sense is necessarily plural, is treated as a sort of compound of *one*, following its construction, and agrees with a singular noun and takes a singular verb.

More than one workman *was killed* (not *workmen* or *were*)—*Fowler*.

**Heaps; Lots.**

"The plurals *heaps* and *lots* used colloquially for a *great amount* now always take a singular verb unless a plural noun with *of* is added"—*Fowler*. Thus,

There *are* heaps of books.

There *is* lots to do.

**Possessive of Compound.**

In compound nouns and complex names, the 's is added to the last word. Thus,

His son-in-law's firm.

I called at Sen, Roy & Co.'s office this morning.

### Possessive of Proper Names.

A proper name, ending in 's' or 'ss' is not turned into its correct possessive form when only an apostrophe is added. A further 's' is necessary. Thus,

Mr. Jones's message (not Jones').

Chambers's Encyclopædia.

### Possessive of Nouns connected by "and".

In these cases, the 's' is added to the last word when joint possession is meant. Thus,

Sen and Roy's books (joint authorship or possession is implied).

Sen's and Roy's books (separate possession or authorship).

Cook's and King's establishments (different firms).

### Pronouns.

Pronouns require careful handling to avoid confusion in meaning. Thus,

Our representative saw your Assistant Secretary yesterday and told him how *his* negligence had given rise to the mistake. (Whose negligence?)

Again,

Please now send us a credit note for Rs. 32-12-6 or we will deduct *it* from your account whichever you prefer. (Deduct what? The credit note?)

A Relative pronoun must have an antecedent. Take the following examples,

The book was so long out of print which accounts for this delay. (Write 'and this' for 'which').

The goods did not arrive in time which caused great inconvenience (No antecedent)).

A relative pronoun must agree with its antecedent in number and person. Thus,

He does not claim to be one of *those who* never make a mistake. (Not *makes*).

Relatives should closely follow their antecedents, or a ludicrous sense will be produced. Thus,

The carpets have many faults which you sent yesterday. The proper arrangement would be,

The carpets which you sent yesterday have many faults.

The case of the relative follows from its own clause. So, there should be no confusion between 'who' and 'whom'. Thus,

I never go to merchants *who* I know are not honest. (not 'whom').

*Who* do you think called yesterday? (not 'whom').

**And which; And who.**

As the relative pronoun serves the purpose of a conjunction also, there is no need to use the conjunction *and* before it, except to join two relative clauses referring to the same antecedent.

Examine the following sentence:—

This machine, undoubtedly the very best of its kind, and which is the finest result of our ceaseless efforts towards perfection, is now offered for Rs. 250 only. (We should write: which is undoubtedly.)

The sentence structure, in such cases, should be—antecedent (relative clause) *and* (relative clause).

**Each, Every, Either, Neither.**

These imply the singular number. Thus,

Each pattern *has* a speciality of its own.

Every order *is* carefully handled by experts.

Each one of the modes of payment *appeals* to us.

Again, *either* and *neither* must be used only with reference to one of two things. Thus, we may say, 'either of the two,' 'neither of the two,' but we cannot say 'neither of the three'. It should be 'none of the three'. Don't write,

Please inform me either by letter, telephone or by telegraph.  
Write,

Please inform me by letter, telephone or by telegraph.

**Either . . . . . or, Neither . . . . . nor.**

If one correlative is negative, the other must be negative also and vice-versa. Thus,

You have *neither* written *nor* telephoned us.

When two subjects are joined by the correlatives, the verb agrees with the subject nearest to it. But when one subject is singular and the other plural, the plural is put last. Thus,

Neither he nor his partners *were* present.

**Between, Among.**

*Between* is used with reference to *two* objects only, *among* with reference to many. Thus,

We should not write—

There is very little difference between the three samples you have sent.

We should write—

The three samples you have sent differ very slightly.

**Shall, Will.**

The use of these two words is often very confusing. The following points may be noted—

I shall	}	mere futurity is indicated.
We shall		
You will		
They will		

I will	}	command, promise or threat indicated.
We will		
You shall		
They shall		

For interrogative sentences, the following may be noted:—

Shall I come?	}	Simple futurity.
Shall you come?		
Will he come?		

Will I come?	}	command or desire
Will you come?		
Shall he come?		

Note the difference in meaning between the sentences:-

I shall be glad if you will do this,—a veiled command.

I should be glad if you would do this,—a request.

The difference is of *mood*, not of *tense*.

### The Preposition "to".

The preposition "to" should not be mistaken for the sign of the infinitive. Thus we must say,

He worked hard with a view *to passing* the examination.

He is accustomed *to taking* a walk every morning.

### The Split Infinitive.

The separation of infinitive from its sign (*to*) by the insertion of an adverb renders the composition inelegant and the practice should be avoided. Consider the following examples,--

We now request you *to kindly send* a cheque.....

We are trying *to quickly prepare* your bill.....

You are requested *to kindly affix* the stamp before sending the bill to this office.

### "Than", a Conjunction.

"Than" is a conjunction, and not a preposition. Thus,  
You are in a better position than *I* (not *me*).

### Like, an Adjective.

"Like" is an adjective, and not a conjunction. Thus, it is incorrect to say...

If you allow me discount *like* you did last time, I may place an order..... (write 'as' in place of 'like').

### "Same", an Adjective.

"Same" is not a pronoun, but an adjective. Thus, it is wrong to say,

We have received your to-day's order and the *same* is receiving our attention. (Write 'it' for 'same.')

### Due to; Owing to.

*Due to* is frequently misused for *owing to*, as in the following sentence,

He could not attend office *due to* illness.

*Due to* is an adjectival phrase whereas *owing to* is both adjectival and adverbial. So *owing to* can be used in place of *due to*, but not vice-versa. Thus, we should say,—

He could not attend office *owing to* illness.

His absence was *due to* illness.

### Unattached Participles.

The participle is of the nature of an adjective, and should be attached to a Noun. The breach of this rule gives rise to ludicrous meaning. Thus,

When checking your accounts, a mistake was noticed by our clerk.

The sentence means that the mistake was checking the accounts when it was noticed by the clerk. The sentence should, therefore, be written as,—

When checking your accounts, our clerk noticed a mistake.

Referring to your inquiry, the prices of the goods are as follows:—To what is *referring* attached? The sentence should be rewritten as,—

Referring to your inquiry, we have pleasure to state etc.\*

### Improper Ellipses.

Ellipses as in the following examples are grammatical errors and should be avoided,—

\* Usage, however, permits constructions like the following:—

Considering the circumstances, he was justified,

Roughly speaking, there is no difference between the two.

Taking everything into consideration, the business you have secured this year is satisfactory.



The manager neither has nor will consent. (Insert 'consented' after 'has').

Our artificial silk is prettier and quite as serviceable as genuine silk. (Insert 'than' after 'prettier').

The output of our firm is greater than any other factory. (Insert "that of" after 'than').

The population of India is greater than any other country. (See previous example).

Messages are coming and going to every part of the world. (Insert 'from' after 'coming').

### Omission of the Noun.

The noun should not be omitted after a possessive pronoun unless the noun be previously expressed. Thus,—

I have *your letter* of yesterday (not *yours*).

He came to my office and I went to *his*.

### Less, Fewer.

*Less* denotes quantity or degree, *fewer* denotes number. Thus,—

We wrote no *fewer* than six letters (not 'less').

We are no *less* liable to commit mistakes than you are.

### Regret, Sorry.

Regret suggests a formality and dignity; *Sorry* implies more sincerity. When adverbs are used with *regret*, they precede it; but *sorry* presents no such difficulty.

### As if; As though.

Careless use of these phrases often gives rise to mistakes, e.g.

I feel as if I am going to faint.

This should be,—

I feel as if I *were* going to faint.

The error can be avoided if only we remember the expanded form of the sentence. The above sentence, if expanded, would read:—

I feel as I should feel if I *were going* to faint.

## Latin Plurals.

In these cases, the English plural forms, if sufficiently current, should be used. Thus, *emporiums*, *premiums*, *quorums*, *museums*, *harmoniums* should be preferred to the Latin forms. But in many other cases, the Latin plural forms have become widely current. Thus, we have *curricula*, *strata*, *data*, *errata*, *memoranda*.

It is not wrong to use forms like *premia*, but it looks affected and is not, therefore, recommended for a business letter.

## Appropriate Prepositions.

Considerable difficulty often arises in selecting the appropriate prepositions. We give below a list of more common ones:—

Abide <i>by</i>	Compare <i>to</i>
Accede <i>to</i>	Compare <i>with</i>
Acceptable <i>to</i>	Compatible <i>with</i>
Accessory <i>to</i>	Comply <i>with</i>
Accord <i>to</i> (grant to)	Confer <i>on</i> (bestow)
Accord <i>with</i> (agrees with)	Confer <i>with</i> (consult)
Account <i>for</i>	Consequent <i>on</i>
Adapted <i>to</i> (suited to)	Conversant <i>with</i>
Adapted <i>for</i> (fit for)	Capable <i>of</i>
Adhere <i>to</i>	Correspond <i>to</i> (a thing)
Adjacent <i>to</i>	Correspond <i>with</i> (a person)
Adjust <i>to</i>	Demand <i>for</i>
Agree <i>to</i> (terms)	Desirous <i>of</i>
Agree <i>with</i> (persons)	Differ <i>from</i> (a person)
Allude <i>to</i>	Differ <i>with</i> (an opinion)
Annex <i>to</i>	Different <i>from</i>
Anxious <i>for</i>	Dispense <i>with</i>
Anxious <i>about</i>	Equivalent <i>to</i>
Appropriate <i>to</i>	Engaged <i>in</i>
Avail <i>of</i>	Exception <i>from</i> (a rule)
Call <i>at</i> (a house)	Exception <i>to</i> (a statement)
Call <i>upon</i> (a person)	Free <i>from</i>

Impressed <i>with</i>	Part <i>from</i> (a person)
Indifferent <i>to</i>	Part <i>with</i> (a thing)
Interfere <i>in</i>	Prevailed <i>on, upon</i>
Object <i>to</i>	Replete <i>with</i>
Occupied <i>with</i>	Similar <i>to</i>
Open <i>to</i>	Sufficient <i>for</i>

### Choice of Words.

Style in composition mainly depends upon the ability to use the right word in the right place. So, great care should be taken in the choice and arrangement of words in the sentence. We have already spoken at length on these two points in the previous paragraphs. The following faults in composition should also be avoided:—

(a) *Confusion in meaning.* Words such as *transpire* and *happen*, *allude* and *mention*, *expect* and *suspect*, *aggravate* and *irritate* are often a source of confusion. Consider the following cases,—

Please let us know what *transpired* at the meeting. (use 'happened').

The matter *alluded* to in your letter. . . . . (use 'mentioned'). Similarly, *judicial* and *judicious*, *efficient* and *effective*, *old* and *antiquated* often give rise to confusion.

(b) *Exaggerations.* We should not use *amazed* when we are only *surprised*. Similarly such words as *stupendous*, *prodigious*, *monstrous*, *gigantic* and the like should be avoided when we mean merely large or big.

(c) *Colloquial adverbs.* Words such as *jolly*, *awfully*, *terribly* should not be used as follows:—jolly glad, jolly good, jolly clever, terribly late, terribly slow, awfully convenient, awfully kind, awfully glad, etc.

(d) *Slang.* Vulgar expressions such as *do the needful*, *get the sack* etc., should be avoided.

(e) *Worn-out tags and phrases.* Avoid expressions like "even date", "and oblige" etc. They have become too hackneyed

to be of any use. Foreign phrases, particularly Latin tags, such as *in medias res*, *beau ideal*, *non probandi*, *sine qua non*, *raison d'être* and the like should not be used in business letters. They do not lend dignity to composition. Rather, they show affectation on the part of the writer.

(f) *Other words and phrases.* In the circumstances should be preferred to *under the circumstances*. From the etymological stand point, the preposition *in* seems more logical than *under*. Besides, *in the circumstances* is less ponderous.

The words *the former* and *the latter*, as Wilfred Whitten justly points out, "are often placed so far from the words to which they relate that one has actually to suspend one's reading and grope back, with the result that a halt, if not an obscurity, occurs". So it is advisable to avoid these two words.

(g) *Sentence ending with a preposition.* In many cases this gives inelegance to the sentence and should be avoided. Thus, instead of writing,

You have asked for books we do not deal in,  
we should write,—

You have asked for books in which we do not deal.  
Similarly, instead of writing—

You are insisting on the mode of payment we objected to,  
we should write,—

You are insisting on the mode of payment to which we  
objected.

But it cannot be denied that there are cases where the final preposition is thoroughly idiomatic and elegant, *e.g.*,

What are you laughing at?

So, whether a preposition should be allowed or not at the end of a sentence should be judged on the merits of a particular case.

(h) *Redundancy.* This is also a common fault in business correspondence. In many cases, it arises from a defective knowledge of the exact meaning of words. Consider the following

to the large increase of our trade with Southern India compelled to open a new Branch at Madras.

### Business Jargons.

The following openings are obsequious—

We beg to acknowledge receipt of your esteemed favour  
In response to your kind enquiry. (We thank you for  
your letter.)

We beg respectfully to advise you.....

The following endings are servile—

Awaiting the favour of your kind reply or esteemed  
command.

Thanking you for past favours and assuring you of our  
best services.....

Trusting to be favoured with your continued support.

Soliciting continuance of your esteemed orders....

Apologising for troubling you and assuring you of our  
best attention at all times....

The following expressions, often found in business letters,  
are extremely hackneyed and should be avoided:—

In compliance with your request....

Enclosed we beg to hand you..... (we enclose).

Enclosed please find..... (ridiculous phrase).

Contents of which have been carefully noted.

Your letter of even date.... (to-day).

Your letter of 15th instant or ultimo or proximo (state  
month).

Please acknowledge receipt of same. (Send us a receipt  
for it).

Thanking you in anticipation....

At your earliest convenience.....

Beg to say, state or inform you (Don't beg; say what  
you have to say.)

The list may be easily multiplied. These jargons cannot be  
defended. They are "an impediment to clear expression";  
they are awkward, clumsy, or insincere. They will either irritate

the reader or make him suspicious. Where the language is an obvious pose, it is quite natural to conclude that the thought behind the language is not sincere. To establish this point, Milton Wright relates an old but interesting story. A correspondent of no religious habits was once requested to ask a blessing at a family dinner. For a moment the gentleman stood dumb, not knowing what to say. "Why shouldn't I imagine I am dictating a letter?" he thought. Then, without any difficulty, he began,

"Dear Lord,

We thank Thee for all Thy favours of recent date. Permit us to express our heartfelt gratitude. We trust we may continue to merit Your confidence. Assuring You of our prompt attention to any request You may care to make, and trusting that the above mentioned amicable relations may continue, we beg to advise that we thank You in advance for Your anticipated favours. Amen."

It is needless to say that a letter couched in such jargon will carry no weight and is sure to leave the recipient cold. The expressions are stilted, insincere and too hackneyed to have any significance.

## CHAPTER V

### PUNCTUATION

Punctuation is very often neglected in business letters. The result is that the purport of the letter cannot be gathered before it is read several times. Sometimes crude punctuation makes a sentence complete nonsense. One great virtue of the business letter is that it can be readily understood. The writer of a business letter must, therefore, try to spare his reader's time and thought. For this he has to take the help of punctuation. Good punctuation saves re-reading and prevents ambiguity.

The tendency of modern business correspondence is to avoid the use of many stops. Frequent use of stops is calculated to irritate the reader. Take the following sentence:—

Please send us a copy of the letter, or its number, or at least, its date.

In such a sentence, the commas might well be omitted, and one may justly expect that the reader will have intelligence enough to grasp the sense without any difficulty. So, our rule should be,—

1. Use punctuation marks whenever it helps clear expression.
2. See that your letter does not suffer from the spot-plague.

The punctuation marks or stops in general commercial use are the following:—

- (1) The Full-stop or Period (.)
- (2) The Semi-Colon (;)
- (3) The Comma (,)
- (4) The Colon (:)
- (5) The Note of Interrogation (?)
- (6) The Note of Exclamation (!)
- (7) The Dash (—)
- (8) The Parenthesis ( )
- (9) The Colon and Dash combined ( :— )
- (10) The Inverted Commas or Quotation Marks (“—”)

### The Full Stop.

This represents the greatest pause and separation. It is used:—

- (a) at the close of every complete sentence.
- (b) after figures used for the purpose of enumeration, and
- (c) after abbreviations and initials.

### 2. The Comma.

This is the most used of all stops. It represents the shortest break or pause, and is used:—

- (a) between words or phrases in a series; *e.g.*, He was found honest, sober, truthful and painstaking:

*Note*—The comma is not used before the word preceded by *and*.

(b) to separate each pair of words connected by *and*; *e.g.*,  
Our letters should be simple and clear, brief and courteous.

(c) when *and*, *or* join together two groups of words; *e.g.*  
The files are strengthened with cloth-lining, and are so well made that they will last for years.

We have to request you to send us Rs. 200/- in advance, or a couple of references to enable us to execute your order.

(d) when the verb is omitted to avoid a repetition; *e.g.*  
The price is cheap, the quality, excellent.

(e) to mark off any parenthesis; *e.g.*,  
The quality, to say the least, was unsatisfactory.

(f) after a Nominative Absolute; *e.g.*,  
This done, he left office.

(g) to mark off the Nominative of Address; *e.g.*,  
Take your seat, Sir.

(h) to mark off direct quotation from the rest of the sentence; *e.g.*,  
"Quite so," he replied.

(i) to mark off a noun-clause, whether subject or object, preceding the verb; *e.g.*,  
Whatever is, is right.

That he would prove a good salesman, no one ever doubted.

(j) before certain co-ordinative conjunctions; *e.g.*,  
This does not show wisdom, but folly.

(k) to separate a long subject opening a sentence from the verb; *e.g.*,

The quality of the goods we sent you according to your instructions, will be found quite satisfactory.

### The Semi-colon.

This represents a pause longer in duration than that shown by a Comma. It is used:—



5. What is a Postscript? If you knew any one who was addicted to the use of *P.S.*, what would you infer? (*G.C.I., 1944*).
6. What are the essentials of a good style for business letters?
7. Rewrite the following sentences eliminating jargons:—
  - (a) We acknowledge receipt of yours of the 14th, and in reply beg to state that the books were despatched as per your instructions on 29th ult.
  - (b) We are in receipt of your favour of even date. In reply, we would like to assure you that our packing leaves nothing to be desired.
  - (c) Yours of the 2nd instant to hand and the contents carefully noted. In reply, permit me to say that we are unable to allow the discount you have mentioned.
  - (d) In reply to your esteemed favour of even date, we wish to state that we fully appreciate your difficulties. Please find enclosed our cheque to the amount of Rs. 420/-. Kindly be advised that as per our records of this date our account with you is paid.
8. The following sentences from business letters contain grammatical errors. Rewrite them correctly.
  - (a) Our illustrated booklet together with samples of the materials were sent to you yesterday.
  - (b) We regret that our letter of the 5th April, as well as two previous ones have been ignored.
  - (c) Referring to your inquiry of yesterday, the price has gone down considerably.
  - (d) The ordered goods have not arrived as yet.
  - (e) If I was in your place, I would consult the Company's bankers for advice.
  - (f) Neither of the applicants you recommended were found fit for the position.

## CHAPTER VI

### THE BODY OF OUR LETTER

For the sake of convenience, the body of the letter may be divided into three parts, the beginning, the middle and the end. We introduce our subject (and sometimes, ourselves too); we state our business; we conclude the matter.

#### The Opening.

The opening of the letter plays an important part. It produces a great effect on the reader's mind and prepares him for things that follow. Yet, unfortunately, it is often found that very little care is devoted to this part of the letter with the result that the opening is weak or tilted or too long drawn out to be effective.

The opening in most letters is not at all difficult. The difficulty lies with the wrong notions about it. We must shake off the prevailing idea that a letter is to be commenced with a participle; or that it is unbecoming to get to business at once; or that a letter should not begin with a short, crisp sentence. Such ideas are responsible for the use of the worn-out phrases and expressions which serve only to lessen the effect of the letter. Let us consider the following openings,—

- (a) In reply to your letter of yesterday inquiring about the prices of raw jute, we have to inform you that . . .
- (b) Referring to your letter of 15th July, we have to inform you that the next edition of Sen's Commercial Geography will be ready for sale by the end of this month.

Are not the openings too long to be effective? Will not the following openings prove stronger?

- (a) We thank you for your letter of yesterday. The prices of raw jute . . . . .

- (b) We have your letter of 15th July. The next edition of Sen's Commercial Geography will be ready for sale by the end of this month.

Moreover, the letter (a) is obviously in reply to that received. So, there is hardly any point in saying "in reply" or "in response", "replying to" and the like. The same objection applies to phrases like "referring to", "we would answer", "we have to inform you" etc.

Let us consider for a moment the purpose of the opening sentence. It prepares the reader for things that follow. Now our letter may be,—

- (a) in reply to another letter.
- (b) in continuation of previous letters on the same subject,
- (c) to introduce a new topic.

In (a) and (b) the function of the opening is to link our present letter with old associations. That is quite an easy task. The only care need be taken is that the opening sentence is a strong one. Very long sentences should not be used in any part of a business letter, in the beginning they should be especially avoided. Some correspondents give in the opening paragraph a summary of the letter to which they are replying. This makes the paragraph unnecessarily long and cannot, therefore, be recommended. The following openings may be noted,—

- (a) We have your letter of 12th May.

- (b) Thank you for your inquiry of 12th January. We are glad to send you, under separate cover, the catalogue you require.

- (c) On 20th December I wrote to you about.....

The opening becomes more difficult when the letter introduces a new topic. The method of approach will vary according to circumstances. No hard and fast rule can be laid down. Let us examine a few effective openings,—

- (d) Mr. P. K. Roy, who is an applicant for the post of correspondence clerk in our office, has given us your name as a reference.

the transaction placed immediately below the salutation and set out prominently in the centre. Such a title or heading enables the reader to see *immediately* what is to be dealt with; moreover it facilitates filing. On the same ground, the use of sub-titles in the body of the letter may be justified. Let us consider the following example in which the writer informs his correspondent the price of different kinds of paper,—

Dear Sir,

Thank you for your inquiry of 22nd January. We give below our quotations for the different varieties required by you:—

Double Demy

A 1 Quality	..	..	-/12/- per lb.
A 2        "	..	..	-/10/- per lb.

Crown

A 1 Quality	..	..	-/10/- per lb.
A 2        "	..	..	-/ 8/- per lb.

Royal

A 1 Quality	..	..	-/12/- per lb.
A 2        "	..	..	-/10/- per lb.

The middle of the letter will vary according to circumstances. Let us imagine, for the sake of illustration, that we are replying to a letter inquiring about the different models of a household machine we manufacture. We begin the letter with an opening sentence as on page 38. Then we write the middle part as below:—

- (a) You will be interested in Model C, the most popular of all our models. It is illustrated on page 8, of our catalogue, and we have marked it with blue pencil. The price is Rs. 125/- only. But when five are taken at a time, each costs Rs. 100/- only. Should you, however, consider the cost secondary to

perfection and ornamental finish, you will please turn to page 14 for our 'De Luxe' Model.

- (b) We specially recommend to you our "De Luxe" Model, which combines perfection in every detail with ornamental finish of exceptional beauty. It is the finest result of our ceaseless efforts towards perfection and is designed for people who value perfection and finish above everything. You will find this model illustrated on page 14, which we have marked with a blue pencil. Its price Rs. 140/- only.
- (c) As you appear to be interested in our less expensive models, we recommend to you our Model A, marked with blue pencil on page 6. It is a splendid bargain for Rs. 85/- only and is as efficient as the costlier models. The difference in price is partly due to finish and partly due to our desire to keep our machines within the easy reach of all.

It will be noticed that the models in the above paragraphs have been referred to in general terms. A man in the line, conversant with the working of the machines, will naturally emphasise upon some of the salient features which will appeal to the inquirer. It is a good practice to mark a particular page in a catalogue with blue pencil. This leads the inquirer to consider a particular object or class. It is quite likely that we may not hit the right things. Still, the blue pencil will secure for us an immediate consideration of our catalogue.

Consider also the following :—

- (d) We are interested in your new lines of striped silks in three colours, numbered N.S./101-N.D./108 in your New Year Catalogue. These types, we believe, will have a good demand here. If your samples are satisfactory and quotations favourable, we may be able to place frequent orders with you.

**The End.**

The concluding paragraph of the business letter need not be a mere formula of courtesy. Business can hardly afford time and

space for it now-a-days. We have no longer any use for the servile endings and formulae of courtesy referred to on page 30. We must be courteous to our correspondent no doubt. The opening paragraph will serve the purpose. The days of servile endings are long since past. The concluding paragraph is now-a-days used more profitably ; it is now drafted as a paragraph of action.

How to do this ? Now, the action desired will be different for different classes of firms. It may be a trial order, a letter of recommendation, a call at a show-room and so on. The ending will depend upon the nature of action desired, and vary accordingly. The general principle of securing action is to make the task of reaching the objective aimed at easy and attractive. This can be done by telling the reader just what he has to do to comply with our wishes. If we want him to order at once, we may enclose an order form and ask him to return it duly completed. If we want him to ask for further details, we may provide a card or form specially intended for the purpose.

We give below a number of specimen endings arranged according to actions desired :—

(a) Action desired—*Order at once.*

- (i) We enclose an order form for your convenience.
- (ii) We feel sure that you will be interested in this publication and suggest that you fill in the enclosed order card and return it to us.
- (iii) As the prices are likely to be revised next month, we should be glad if you would let us know your requirements in time.
- (iv) The terms for this special offer is a 10% discount for cash. We shall be pleased to learn whether we may send the parcel forward.

(b) Action desired—*Ask for further details.*

- (i) We shall be glad to furnish you with any further information you may require.
- (ii) Should you require any further information, please fill in the enclosed card and send it to us.

- (iii) We enclose a blank card for any further information you may require.
- (iv) If you will kindly use the enclosed inquiry card we shall be glad to send you detailed information regarding.....
- (c) Action desired—*See a Representative.*
  - (i) Would you like a talk with one of our Representatives on the subject? It would save much time and botheration on your part and will place you under no obligation. We enclose a post card for your reply.
  - (ii) Our Representative is always at your service. If you can spare a few minutes, please make use of the enclosed card and you may be sure of his help.
- (d) Action desired—*Goods to be sent on approval.*
  - (i) May we send you one set of.....for inspection and approval without the slightest obligation to buy—unless you desire to do so ?
  - (ii) You take no risk ; you send no money unless you wish to. You simply receive and try our products at our expense and risk. Just tell us what you want and we shall send them along.

It is needless to multiply instances. The above examples will give an idea of a paragraph of action.

## CHAPTER VII

### KINDS OF BUSINESS LETTERS

Commercial correspondence is extremely diverse. It ranges from Form Letters, *i.e.*, printed letters with blanks to be filled in by the sender, to the more complicated sales and adjustment letters that call for tact and thought. For our convenience of treatment, we may divide business letters into the following classes. The classification should not, however, be considered exclusive which is an impossibility, for sometimes the same letter may, with equal justification, be included in two different classes.

Application for Situation.

Letters of Recommendation and Letters of Credit.

References and Status Inquiries.

Circulars and General Announcements.

Follow-up Letters.

Memorandum and Telegraphic Communications.

Inquiries.

Offers and Quotations.

Acceptances and Orders.

Confirmation, Execution, Refusal, and Cancellation of an Order.

Acknowledgement of Goods Received and Making Payment.

Claims, Complaints, and Adjustments.

Collection Letters.

Banking.

Insurance.

Forwarding Goods by Rail.

The Export and Import Trade.

Agency.

Correspondence with the Government.

Company Secretary.

Letters to Editors.



Under each of these heads there may be various types of letters. It is not possible to discuss all the types that one may be called upon to write in course of business transaction. Each letter will vary according to circumstances. We shall, therefore, show the usual form of each class and deal with some of the important types included in it.

It will be noticed that the above list does not include Form Letters. These have been left out because these letters are generally kept printed. These are used either exactly as they stand or with minor additions or alterations. These are simply standardised letters suited to certain occasions which occur frequently. Here are a few instances.

Dear.....,

I have pleasure to acknowledge your remittance of cash/cheque totalling Rs.....(Rupees.....) for transmission to.....Branch for credit of your account which is maintained there.

Yours faithfully,

Manager.

Dear.....,

Your account with us appears to be overdrawn to the extent of Rs.....(Rupees.....) to which I request the favour of your immediate attention.

Should there be any error on our part, I shall be obliged by an early intimation.

Yours faithfully,

Manager.

It is advisable to print form letters in close imitation of type-writing, the blank spaces being filled in by the typist. For psychological reasons, people would be inclined to read a letter printed in typescript when they would put aside one in ordinary print.

These printed forms save much time and energy. With their help business is handled rapidly and at a less expense. But form letters have one great drawback ; they lack personal touch. "There are occasions when to send a standardised form would be to risk loss of custom." So, they should be used with caution.

## CHAPTER VIII

### APPLICATION FOR A SITUATION

The application for employment is perhaps the most important of all letters ; for it may affect one's whole life. It is a sales letter in which the applicant sells his services in the market for the best price available. It is, therefore, worth one's while to devote both time and thought over its drafting.

The following points should be noted in connection with this kind of letters :—

- (1) When the application is in answer to an advertisement in a newspaper, it should state clearly the name of the newspaper in which the advertisement appears and the date of its appearance. If it is an unsolicited application, the applicant should explain his interest in the kind of work for which he applies.
- (2) The nature of the position for which the application is made should be stated.
- (3) Qualifications and experience, if any, should come next. In stating these, the nature of the position and the needs of the employer should be taken into account. Very often the pressing need for employment leads the applicant to ignore the employer's view-point. "The clever applicant will stress those (qualifications) in which he excels and which he thinks the employer will value." One must avoid

making exaggerated claims on the one hand and undue modesty amounting to timidity on the other. "State the qualifications you have ; do not call attention to those you do not have by making negative statements." The statements should be definite. While stating his academic qualifications, he should state the name of the College from which he passed, If the applicant has previous business experience, the period of service, name or names of employers should be stated. If he has left his previous employment he should also state why he left. If he has no experience, let him stress his educational record and other activities, especially of a business nature, in which he might have been engaged outside his class room. When the applicant happens to be employed somewhere, he should state clearly why he is desirous of leaving his position.

- (4) Age, habits, health, any special qualification that may be of use to the employer should be stated next. The applicant should also state the minimum salary he expects, if such a statement has been asked for.
- (5) The body of the letter should be divided into paragraphs, each dealing with a separate idea.
- (6) Copies of testimonials or letters of recommendation should be enclosed. The originals may be presented or sent later, if required. It is perhaps better to give names of references. Previous permission should be obtained from the referees for the use of their names.
- (7) It is customary to end the application with a brief assurance of the applicant's endeavour to give satisfaction if he should be selected for the post. A better practice would be to conclude the letter with a request for an interview unless this possibility is excluded by the advertisement.

- (8) The address should be *Sir* (where aloofness or formality is desired) or *Dear Sir*. Various forms of close are in use; e.g., *Yours faithfully*, *Yours obediently*, *Yours respectfully*, etc. Of these *Yours faithfully*, seems most appropriate, "For, after all, we are not soliciting favours; we are giving a prospective master a chance to secure a really efficient servant."

Letter No. 1. Application from a youngman in employment in answer to an advertisement for a clerk.  
The name of the employer is not given.

The Advertiser,  
Box No. 512. C/O. A. B. Patrika.  
Calcutta.

Sir,

With reference to your advertisement in to-day's Amrita Bazar Patrika for a clerk, I should like to offer myself as a candidate for the post.

Having passed the Matriculation Examination in the first division in 1939, I entered the firm of Messrs Jeewanlal & Co., 15, Pollock Street, as a junior clerk. The same year I joined the evening classes of City College Commerce Department and passed I.A. with Commercial Arithmetic & Book-Keeping in 1941 and B. Com. in 1943 and was placed in the first division at both the examinations.

I am still in the service of Messrs Jeewanlal & Co. I am now seeking opportunities which my present employers, with their limited range of business, cannot supply.

I am at present 21 years of age and of active habits.

I enclose a few copies of testimonials from my professors. You may also refer to my present employers

who will be willing to supply you information regarding my character and ability.

Should you kindly grant me an interview, I shall be able to give you any further information that you may require.

28, Lake View Road,  
Calcutta.

12th July, 1944.

} Yours faithfully,

} Birendranath Ghosh.

**Letter No. 2.** Application in reply to an advertisement for an Inspector of Agents stating age, qualifications, experience, minimum business guaranteed and salary expected.

The Branch Secretary,  
Oriental Life Assurance Co., Ltd.  
2, Clive Row, Calcutta.

Dear Sir,

With reference to your advertisement in to-day's Statesman for an Inspector of Agents, I should like to offer my services for the post.

I passed the B. Com. examination from City College Commerce Department in 1940 and entered the services of the Sun Life Assurance Co., Ltd., Calcutta Branch, in the following year. After several promotions, I was appointed Inspector of Agents, Rajshahi Division, in 1943. In that capacity I effected a remarkable increase in business, particulars of which you will find in the enclosed copy of the Branch Manager's Report.

I left my employment a month ago owing to a difference of opinion with the Branch Manager. In spite of this, however, I am confident, he will speak favourably of me and my work.

I am prepared to guarantee a minimum business of Rs. 10,00,000/- a year. From my past experience, I believe, my work will never fall below the amount.

I am 30 years of age, of good health and active habits.

In view of my past experience and the guaranteed amount of business, I shall require a salary of Rs. 250/- per month and a commission of  $2\frac{1}{2}\%$  on the business secured.

Should you appoint me to the post, it would be my earnest endeavour to give you every satisfaction.

21, Ramesh Mitra Road,  
Calcutta.

25th July, 1945.

Yours faithfully,

Surendra Nath Chatterji.

Letter No. 3. A Reply to an application for employment.

15, Clive Street,  
Calcutta  
20th July, 1943.

Mr. Birendranath Ghosh.  
28, Lake View Road,  
Calcutta.

Dear Sir,

We have your application of the 12th July, for the post of clerk in our office. We are glad to tell you that we have decided to appoint you to the post.

The appointment will be on a temporary basis for six months after which it will be made permanent on your giving us a satisfactory account of yourself in the discharge of your duties. Your salary will be Rs. 75/- per month during the temporary period, and Rs. 100/- per month on your being made permanent. We wish you to join as early as possible.

Please let us know by return of post whether you agree to the terms, and if so the date when you can join.

Yours faithfully,  
S. Ray & Sons.

It goes without saying that the advertiser will try to select the best man available. He will not choose the man who pleads best, but one who, in his opinion, proves best for the situation. A well-written application will, no doubt,

create a good impression on the reader. But in these busy days, people can seldom afford to go through the numerous applications that pour in whenever a vacancy is announced. In many cases the applications are sent to the office which prepare an abstract which in its turn is presented to the chief. In many other cases, the advertiser, in order to avoid this task of preparing an abstract, requires the applicants to apply in a prescribed form. The Application for employment is thus being gradually replaced by a statement of particulars, as below :—

**Letter No. 4. Application for Employment (on a new method).**

Application for the post of Clerk,  
Ref. Advertisement in A. B. Patrika,  
dated 12th July, 1943.

1. Name of Applicant—Birendranath Ghosh.
2. Educational Qualifications—  
Passed Matriculation Examination (1st Division) in 1939 ; I.A. with Com. Arithmetic & Book-keeping (1st Division) in 1941, City College Com. Dept.; B. Com. (1st Dn.) in 1943 ; Same College.
3. Office Experience—Joined Messrs. Jeewanlal & Co., 15, Pollock Street, Calcutta, in 1939 and serving them since then.
4. Reason for leaving present employment—For better prospects.
5. Age—21 years.
6. Testimonials, References, etc.—Copies of testimonials from Professors enclosed. Reference may be made to my present employers.
7. Signature and address of Applicant—Birendranath Ghosh  
28, Lake View Road.
9. Date of Application—12th July, '43.  
& so on.

## EXERCISES ON CHAPTER VIII

1. Draft an application letter in answer to the following advertisement:—  
Wanted secretary to author. Young arts graduate with knowledge of shorthand and typewriting preferred. No previous experience necessary. Interesting work, chance to travel. Write giving full details. Box 4051, A. B. Patrika, Calcutta.
2. Wanted an engineering graduate with ability to write on technical subjects for non-technical readers. Apply stating age, experience, qualifications and minimum salary expected to Hindusthan Engineering Co., 5, Mission Row, Calcutta.  
Draft a reply to above.
3. Write out an application for an advertised situation as Insurance Agent who has to secure business on commission. (C. U. 1941).
4. Draft an application for a vacancy advertised by a concern importing cameras and photography materials where the remuneration will consist of a small salary and a moderate commission on the business secured. (C. U. 1942).
5. Draft an application for the following:—  
Wanted for a limited company an experienced accountant, able to close accounts and draw balance sheets independently. Apply stating previous experience, age and minimum salary expected to Box No. 6870K, C/o. Patrika, Calcutta.
6. Write an answer to an advertisement calling for applications from qualified mechanical engineers, giving reason for your selection though you have theoretical training and practical experience of engineering in a general way only. (C. U. 1943).
7. Draft a letter of application for the following:—  
Wanted by Export and Import Merchants a well-educated young man as a junior clerk. Some knowledge of shorthand and typewriting desirable. Initial salary Rs. 150/- per month. Apply stating age, references, education and experience, if any, to Box 3112, Bombay Chronicle, Bombay.
8. Wanted by a local mercantile firm, an Office Assistant with experience in Book-keeping and typewriting. Salary Rs. 125/- per month. Apply giving age, education, experience and references, Box 1221, Searchlight, Patna.
9. Wanted—Well-educated young lady with good speed in shorthand and typewriting to assist in publishing house. Apply with full particulars to Box No. 4121, Hindusthan Times, Delhi.
10. Wanted—Young lady with really high speed in shorthand and typewriting; filing experience an advantage; liberal salary. Reply with full details, Box No. 5102, The Leader, Allahabad.
11. A vacancy occurs in the Secretarial Department of a large trading company. Draft a letter of application likely to secure your consideration.



12. "Head Assistant wanted for the Life Department of a first class Insurance Company in Calcutta. He should be one who can independently manage all office work connected with organisation. Persons with previous experience only need apply stating age and qualifications, to Box 3677, Calcutta Review. Calcutta."

Write out an application giving reasons why you should be selected to fill the above vacancy. Your qualifications are the possession of a B.Com. with Statistics and Insurance as your optional subjects and your previous experience of office work gathered as a general assistant in the office of a District Board in Bengal, where you worked for one year. (C. U. 1944).

## CHAPTER IX

### LETTERS OF RECOMMENDATION AND LETTERS OF CREDIT

#### Letters of Recommendation.

The object of a letter of recommendation may be,—

- (1) to assist an applicant in obtaining an employment, or
- (2) to assist a business friend in securing new business relations or credit.

(1) There are several types of letters of recommendation that are used in securing employment. The most general form is one usually granted by an employer or former employer. It is addressed to nobody in particular but "To whom it may concern," and is a statement in general terms of the character and ability of the employee. Copies of such letters are generally enclosed with applications. These letters do not carry much weight because the motive of the writer is not always clear. Besides, in many cases, the statements are extremely general. We give an example below:—

**Letter No. 6.** A Letter of Recommendation from an employer  
— to an employee.

12, Ezra Street,  
Calcutta, 17th July, 1943.

### To Whom It May Concern.\*

This is to certify that Mr. Sreeprakas Narayan Kapur has been in our employment as a junior clerk for the last two years and a half. During this period he has discharged his duties satisfactorily. He is an intelligent youngman of active habits and bears a good moral character.

R. N. Trivedi & Co.

Sometimes, the letter of recommendation is handed to the person recommended. In such a case, the letter should be left open so that the person recommended may assure himself that he has been really recommended. The letter of recommendation is most effective when, on an inquiry from the employer, the referee sends it direct to him.

The writer of the letter of recommendation owes an obligation both to the person recommended and the prospective employer. He should, therefore, state facts, without either exaggeration or concealment. The quality of the applicant's work, his habits and character should be plainly stated.

(2) When a letter of recommendation is intended for a business friend to help him to get new business and credit, it should contain,

- (a) full name of the person recommended,
- (b) the object for which he is recommended,
- (c) a request to assist him with advice or any other help he may profitably use,
- (d) information regarding his financial standing and character, where necessary, and
- (e) a concluding paragraph giving thanks for any service rendered.

All statements made must be definite and strictly accurate. As one authority puts it, "A communication introducing a business acquaintance who wishes to open an account with the party addressed should be very guardedly worded. It is very easy for

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\* This line is now often omitted.

the writer to incur a moral obligation to perform agreements made by a bearer of such a letter, if indeed he does not become legally liable. If the person requesting such a letter is known to be financially responsible and a man of irreproachable character and business ability, very little risk of any kind is assumed; but unless he is known to possess such qualities, the letter had better be withheld."

The letters are either handed open to the person recommended or sent direct to the person or firm to whom recommendation is made. If sent direct, courtesy demands that a carbon copy of the letter should be sent to the person recommended.

**Letter No. 6.** Letter recommending a business friend for advice and guidance.

B. N. BANERJEE

CLOTH MERCHANT.

Telegram: Dhoti

Telephone: B.B. 2239.

195, Harrison Road,  
Calcutta, 9th Sept., 1943.

Messrs. Brijlal Chopra & Sons.  
Bombay.

Dear Sirs,

I have pleasure to recommend to you the bearer of this letter, Mr. Rajkumar Panday, partner in the firm of Panday & Co., who are business friends of mine.

Messrs. Panday & Co. are dealers in artificial silk in Calcutta. They want to make new business connections in Bombay, and with this end in view Mr. Panday is starting on a tour through the province.

I shall be glad if you will kindly help him with address of respectable firms as also with your valuable advice in business matters.

Any service you may render Mr. Panday will be deemed as a personal favour, and I shall always hold myself ready to be of service to you in similar matters.

Yours very truly,  
B. N. Banerjee.

## Letters of Credit.

When the letter of recommendation contains a request to pay a specified sum of money to the person recommended, it becomes a Letter of Credit. It is neither convenient nor desirable to furnish a commercial traveller or representative with all the money that he may require during his business tour. In such cases the merchant requests the addressee or addressees to pay, on his account, sums of money to the person recommended in the letter. The amount of money to be paid is either definitely stated or a limit given. It is handed open to the person recommended for personal presentation to the addressee or addressees.

Letters of Credit are of two kinds,

- (1) Simple Letters of Credit, *i.e.*, those addressed to one person or firm only.
- (2) Circular Letters of Credit, *i.e.*, those addressed to more than one person or firm.

In both these cases, the addressees should be intimated beforehand by post, in order that they may be prepared for the payment.

The chief points a letter of credit must contain may be stated briefly as follows,—

- (1) The name and address of the firm to which the letter of credit is to be presented.
- (2) The name, occupation and signature of the person in whose favour the letter of credit is issued. The signature is necessary in order to prevent any misuse of the letter. The signature may also be given in a separate letter of advice.
- (3) The purpose of the journey and, if necessary, a formal introduction.
- (4) The amount to be paid to the person accredited, generally against receipt in duplicate.
- (5) Instructions regarding repayment.
- (6) The period of validity of the letter.

The person recommended starts on his journey with this letter and presents it to the firm or firms addressed. Whenever a payment is made, the firm making payment endorses it on the back of the letter and puts the date and place of payment. The letter is then returned to the bearer for presentation to other addressees. The last firm mentioned in the letter of credit generally retains it to send it back to the issuer.

**Letter No. 7. A Circular Letter of Credit.**

15, Clive Street,  
Calcutta, 15th January, 1943.

Circular Letter of Credit.  
No. N/B. 307.

Dear Sirs,

This is to introduce to you the bearer, the representative of our firm, Mr. A. N. Ray, who starts to-day on a tour through the United Provinces to secure new business connections for our firm. We shall be glad if you will kindly assist him with your advice and information regarding the standing of the firms in your locality.

In the event of Mr. Ray requiring money, we open a credit to him with any of the undermentioned firms to the extent of Rupees Two Thousand only against receipt in duplicate, one to be retained by the firm and the other sent to us.

You may cover yourself for any money paid to Mr. Ray together with incidental expenses, if any, by a sight draft on us or by placing the amount to our account, which ever you find convenient.

Please take note of the signature of Mr. Ray which appears below, and endorse on the back of this letter any amount that you may pay him.

This letter will remain in force until 30th July, 1943 from this day.

We shall always be pleased to reciprocate any service you may render Mr. Ray.

Yours faithfully,  
S. D. Bose & Sons

To Messrs.

S. Mukherjee & Sons, Patna.  
Maganlal Hiralal & Co., Allahabad.  
Ramnarain Misra & Bros., Cawnpore.  
Abdul Hossain & Co., Agra.

(Signature) A. N. Ray.

On the back of the circular letter of credit, it is advisable to draw a form like the one given below. When fully endorsed, the form will appear as,—

<i>Date of Payment</i>	<i>Place of Payment</i>	<i>Firm making payment</i>	<i>Amount paid in words</i>	<i>Amount in figures</i>
22nd Jany. 1943	Patna	S. Mukherji & Sons.	Rupees five hundred only	Rs. 500/-
12th March 1943	Allahabad	Maganlal, Hiralal & Co.	Rupees four hundred only	Rs. 400/-
4th May, 1943	Cawnpore	Ramnarain Misra & Bros.	Rupees four hundred only	Rs. 400/-
28th June. 1943	Agra	Abdul Hossain & Co.	Rupees six hundred only	Rs. 600/-

Note that in the example above, the inside address has been given at the bottom. This has been done in order to avoid its being jumbled up with the title and number of the letter. Besides, the address here requires much space. So its transfer to the bottom makes the letter more attractive.

*Note*—Nowadays, businessmen do not issue letters of Credit. This has been rendered unnecessary by the extension of banking facilities. These letters are now issued by the Bank.

### EXERCISES ON CHAPTER IX

1. Your friend S. Rao of Rao & Co., wants to find new markets for his goods in Bombay. Write a letter of recommendation to Soni & Co. of Kalvadevi Road, Bombay.
2. Write a letter to a firm introducing a commercial traveller. (C. U. 1938).
3. S. Sharma in Banaras, recommends Mr. R. Gupta who wants to find new markets for his products in Calcutta, to Messrs Roy & Roy, Calcutta and requests them to assist Mr. Gupta with their advice and guidance and in opening of a credit to the extent of Rs. 500/- only. Draft the letter.
4. Draft a letter recommending R. N. Kapur noting the following details :—  
Served as an assistant in your firm for two years; his ability, diligence and character; reasons for his leaving your firm; some particular which might recommend him to a prospective employer.
5. On 12th March, 19 , Messrs Dastoor & Company of Bombay, write to Messrs Shyamlal & Co., Nagpur, that they have issued a letter of credit on their house in favour of Mr. R. Desai, for Rs. 500/-. They ask them to take note of and honour it on presentation. Draft the letter.

## CHAPTER X

### REFERENCES AND STATUS INQUIRIES

When an application for employment contains a reference, the employer may write to the referee for information regarding the applicant. Such a letter should state,—

- (1) the circumstances in which the letter is written;
- (2) the kind of information desired;
- (3) an assurance to treat the information given as strictly confidential, and
- (4) of readiness to return the favour should occasion arise.

It is a letter asking a favour. So a stamped, addressed envelope should be enclosed. We are encroaching on the referee's time and thought, we should not i:

The replies should be definite and strictly accurate. Nothing should be "extenuated, nor ought set down in malice." Where definite information cannot be given, the letter should state this frankly, or the inquirer may be referred, if possible, to other firms likely to supply the necessary information.

Letters giving information regarding an applicant for a post or a customer are among the courtesies in business and no reasonable business man should refuse to take the trouble. Who knows, he himself may be in need of such information sometime. The opinion given by him is privileged and no action lies against him in regard to it. Still, the responsibility for the effects of the information supplied is usually disclaimed, especially in cases of unfavourable replies.

"Except in so far as the writer is, like other business men keenly desirous that good faith should rule in trade, he gains nothing tangible by answering the inquiry. His obtaining a return favour is doubtful. Still he will write, favourably if possible; unfavourably, if fulfilling his duty as a member of an honourable profession, he must; fairly and courteously in any event."—(Weston).

**Letter No. 8.** Letter asking for information regarding an applicant for employment.

15, Clive Street,  
Calcutta, 14th July, 1943.

Messrs. Jeewanlal & Co.,  
15, Pollock Street,  
Calcutta.

Dear Sirs,

Mr. Birendranath Ghosh, an applicant for the post of clerk in our office, refers us to you for information regarding his character and ability.

We shall deem it a favour if you will kindly let us know how long Mr. Ghosh has been in your service, whether you found him hardworking, honest and punctual, and the reason for his seeking to leave your firm.



We enclose a stamped and addressed envelope for your convenience.

Any information you may send will be treated as strictly private and confidential, and we assure you of our readiness to return the favour should occasion arise.

Yours faithfully,  
S. Ray & Sons.

Encl. 1.

Letter No. 9. Favourable Reference.

15, Pollock Street,  
Calcutta, 5th July, 1943.

Messrs. S. Ray & Sons.,  
15, Clive Street,  
Calcutta.

Dear Sirs,

We have received your letter of yesterday asking for particulars about Mr. Birendranath Ghosh.

Mr. Ghosh has been in our service as a junior clerk since September '39, and in that capacity he has given a good account of himself. We have all along found him hardworking, very punctual, and strictly honest.

The only reason why he seeks employment elsewhere is that we cannot hold out better prospects to him.

Yours faithfully,  
Jeewanlal & Co.

Letter No. 10. Unfavourable Reference.

10, Lindsay Street,  
Calcutta, 19th July, 1943.

Messrs Rajkissen Daw & Co.,  
39, Canning Street,  
Calcutta.

Dear Sirs,

We have received your letter of yesterday asking for particulars about Mr. Ratanlal Khemka.

Ratanlal Khemka was in our employ for about three months and was discharged a fortnight ago as we were not satisfied with his work.

Please treat this letter as strictly private and confidential.

Yours faithfully,  
De, Dutt & Co.

Letter No. 11. Reply referring to former employers.

10, Lindsay Street,  
Calcutta, 19th July, 1943.

Messrs. Rajkissen Daw & Co.,  
39, Canning Street,  
Calcutta.

Dear Sirs,

Ratanlal Khemka was in our employ for about three months and was discharged a fortnight ago. We refer you, therefore, for any further information to his former employers, Messrs. Kapur & Co., 125, Dharamtala Street, Calcutta.

Yours faithfully,  
De, Dutt & Co.

### Status Inquiries.

Business cannot always be conducted without granting credits, and to grant credits to unsound firms means inviting difficulties, if not loss. So the merchant has to take great care in granting this facility. He will make inquiries regarding the standing, reputation, character and financial capacity of the party to which credit is to be granted.

Such information can be obtained either from friends or from Information Bureaux. Information from friends can be had gratis. Information Bureaux, however, supply information professionally, according to a fixed scale of charges. Sometimes the party who desires to receive credit is asked to give two references. The party, though unknown, may be perfectly sound from a business point of view. So, the letter asking for names of referees should

be very carefully worded, so that nothing in it may offend his feelings.

These inquiries and their replies should conform to the principles laid down at the beginning of this chapter in connection with References.

**Letter No. 12.** Letter asking for names of referees.

12, Esplanade East,  
Calcutta, 19th July, 1943.

Messrs. Batliwala & Sons,  
22, Kalbadevi Road,  
Bombay.

Dear Sirs,

We thank you for your order of 14th July and it is having our attention.

It is our invariable practice, when opening new accounts, to ask for a couple of trade references. As we have not had the pleasure of doing business with you previously, we shall much appreciate your sending us, as soon as convenient, the names of two firms of standing in your town.

Yours faithfully,  
B. Banerjee & Co.

**Letter No. 13.** Letter taking up customer's reference.

12, Esplanade East,  
Calcutta, 12th July, 1943.

Messrs. Trivedi & Co.,  
19, Sion Road,  
Bombay.

Dear Sirs,

Messrs. Batliwala & Sons, of 22 Kalbadevi Road, have asked us to open an account with them, and have given us your name as a reference.

Will you, therefore, please inform us whether they are financially sound and of good reputation? In particular, we shall be glad to have your advice as to whether we may grant them credit, say, to the extent of Rs. 1000/-.

We enclose a stamped, addressed envelope for your reply.

Any information with which you may favour us will be treated as confidential, and we assure you that we shall be glad to be able to render you a like service should the occasion arise.

Yours faithfully,  
B. Banerjee & Co.

Letter No. 14. Concerning the Status of a Firm.  
(Independent Inquiry)

65, Canning, Street,  
Calcutta, 23rd July, 1943.

Messrs. Patel & Co.,  
Churchgate Street,  
Fort, Bombay.

Dear Sirs,

We are expecting to conclude important business with the firm mentioned in the slip enclosed. But as these people are quite unknown to us, we ask the favour of your kindly giving us a detailed information concerning their financial capacity and business reputation. In particular, we shall be glad to learn whether you can recommend them for a credit to the extent of Rs. 5,000/-.

You may rely upon our discretion to use any information with which you may favour us in absolute confidence.

We enclose a stamped, addressed envelope for your reply.

Yours faithfully,  
R. K. Ghosh & sons.

P. N. Desai & Sons. Bombay.
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N.B. It will be noticed that the name of the firm, whose status is inquired, is nowhere mentioned in the letter, but is given

in a separate slip. This shows discretion on the part of the inquirer. A reply to such a letter should also observe the same procedure.

**Letter No. 15. Favourable Reference.**

Churchgate Street, Fort,  
Bombay, 29th July, 1943.

Messrs. R. K. Ghosh & Sons.,  
65, Canning Street,  
Calcutta.

Dear Sirs,

We are glad to inform you that the firm in question enjoys full respect and confidence in the local market. We have been doing business with this firm for about twelve years and we have all along found them prompt in payment. So far as we know, they are financially quite sound, though we cannot give you any definite idea about their financial capacity. They have been a valued customer of ours and we feel no hesitation in giving them credit to an amount beyond the sum you mention.

Yours faithfully,  
Patel & co.

**Letter No. 16. Unfavourable Reference.**

Churchgate Street, Fort,  
Bombay, 29th July, 1943.

Messrs. R. K. Ghosh & Sons.,  
65, Canning Street,  
Calcutta.

Dear Sirs,

We regret that we are unable to give you the assurance you seek in regard to the firm in question. They enjoyed sound reputation till the death of the senior partner which occurred a few years ago. Since then, their dealings have not been satisfactory, and so far as our information goes,

their present financial position is not very sound. In these circumstances we would recommend cash transactions only.

Please note that the information is given in strict confidence and we disclaim all responsibility for it.

Yours faithfully,  
Patel & co.

### EXERCISES ON CHAPTER X

1. Make an inquiry into the antecedents of an applicant for a post from his former employers. (C. U. 1947).
2. Write a letter furnishing information regarding the standing and position of a business man whom you have known for a number of years. (C. U. 1938).
3. Write a letter to your Company's bankers asking them to make enquiries as to the financial stability of a firm with whom your company is about to enter into an important contract. (C.I.S. Inter.).
4. A prospective customer has referred you to his banker for information regarding his standing. Ask your own banker to take up the reference.
5. You have received an inquiry whether a credit to the extent of Rs. 2,500/- may be allowed to a business firm in your locality. Draft an unfavourable reply.
6. You have mentioned the name of a business friend to whom reference may be made regarding your business reputation. Advise him to this effect.
7. You have received an enquiry regarding the standing of a business friend who was once bankrupt, but has since then paid his creditors in full. Draft a reply fair to both the parties.
8.
  - (a) As the sales manager of Mahaluxmi Mills, Calcutta, write to Sahay & Co., Patna, in connection with their order on 30 days credit, that you cannot allow credit without any information as to their standing.
  - (b) Reply for Sahay & Co., stating that you appreciate the company's point of view, and supply names of two firms as referees.
  - (c) Write to one of these referees enquiring in particular whether a credit of Rs 20,000/- can be allowed in this case.
  - (d) Reply favourably stating that Sahay & Co. enjoy good reputation in the market, and that you frequently allow them credit for larger amounts

## CHAPTER XI

### CIRCULAR LETTERS

The establishment of a firm or of a branch, the amalgamation of business, transfer of business, change in the personnel of a firm, the granting or withdrawal of the power of procuration to an employee, change of address and other changes relating to internal business arrangements, have to be notified to patrons and business friends of the firm, as also to the public. This is necessary in the interest of the business itself. It may be done in various ways. Personal solicitation is generally considered the best method, but it is ruled out on grounds of time and expense. It may also be done through the columns of the press. But there is very little chance of people going beyond the first few lines. So, generally, recourse is taken to printed or cyclostyled circular letters, hundreds of which may be posted in one day and at a very small expense. The Circular Letter has also other advantages over personal solicitation. "The letter penetrates where the traveller fails to find access; it waits patiently the leisure of the person whom we seek to influence; it does not feel rebuffs, nor bring about the dismal feeling of wasted effort. And, if it does reach its recipient at an awkward time, it can be placed aside for further reading at a more convenient time. Its initial success of arousing interest need not be lost; the traveller's success in gaining the ear of the buyer may be easily overwhelmed by interruption and incessant calls upon the buyer's attention." (Weston).

Special care should be devoted to the drafting of circular letters so that they may inspire confidence. They should not be arrogant or self-laudatory. They must be pleasing in form and contents, and have a personal air about them. They are generally printed in typescript or cyclostyled.

Though the circular letter is either printed or cyclostyled, the name of the sender must never be so done. It must be either in writing or in facsimile.

A Circular Letter, having for its object the intimation of the establishment of a business, should contain the following:—

(1) Title of the firm, nature of business, the date of opening, and the seat of the business.

(2) A request by the proprietor of the firm to his business friends to extend to him their confidence on ground of his past experience in the business, sufficient capital etc. This portion of the letter calls for special tact. The merchant will have to speak of his experience, business abilities, and knowledge of business principles. But in doing so, he must observe moderation and decent reserve. Otherwise, the letter will breed distrust instead of confidence. Reference should also be made to prompt payment and fulfilment of other obligations also. For the letter will go not only to customers but also to suppliers.

(3) One chief object of the circular letter is to make the signature of the firm known to its business friends. This is necessary to guard against the forgeries of signatures on bills of exchange and other documents. This is an additional reason why the signature should not be printed or cyclostyled.

**Letter No. 17.** Establishment of a Silk Firm.

S. Banerjee, Silk Merchant.

56, College Street,  
Calcutta, 14th August, 1943.

Dear Sir,

I have much pleasure to inform you that I have established to-day, in this city, a Silk Business under the firm name of—

S. BANERJEE.

Having been engaged in the same branch of business for the last ten years in Patna, I have gained a thorough knowledge and trade experience in it. The capital with which I commence business here is quite adequate to meet the various demands of a business on a large scale, and it



will always be my chief endeavour to provide well assorted stocks, large selection, cheap prices and prompt attention to every matter.

Please take note of my signature given below.

Yours faithfully,

S. Banerjee.

*N.B.* Do not write take *notice* of the signature ; that is not the object of the circular letter. Write, take *note* of the signature.

**Letter No. 18.** Establishment of a Branch.

Dear Sirs,

We have great pleasure in announcing that owing to the large increase in the volume of our business with Eastern Bengal and Assam, we have, for the convenience of our customers, opened to-day a new branch at 5, Chittaranjan Avenue, Dacca, and have appointed as Manager Mr. N. K. Das Gupta.

Mr. Das Gupta has been associated with our firm for the last twenty years, and is fully conversant with all the details of our manufacture. Being nearer he will be able to attend to your inquiries and orders with greater promptness than this office. Please, therefore, send your inquiries and orders to our Dacca Branch instead of sending them direct to our Calcutta Office.

Mr. Das Gupta has been granted the power of procuration and we request you to take note of his signature which appears below.

We hope you will extend to the Branch as much sympathy and support as we have been enjoying so long.

Yours faithfully,  
Mitra & Sons.

Mr. N. K. Das Gupta will sign :

Mitra & Sons.

Dacca Branch,

p.p. N. K. Das Gupta (Hand-written or facsimile)

### Change in the Personnel

Circular letters announcing any change in the personnel of a firm should state,—

- (1) The nature of the change with date. Wherever possible, the reason for the change also.
- (2) Changes, if any, in the method of conducting the business consequent on the change in personnel.
- (3) An expression of thanks for past sympathy and a courteous request for its continuance.

#### Letter No. 19. Admission of New Partner.

Calcutta, 20th July, 1943.

Dear Sirs,

I have the pleasure to inform you that, owing to the large increase of my business, I have, to-day, taken into partnership Mr. B. M. Ganguly, with whom I shall trade in future as—

S. BANERJEE & Co.

The business will be carried on at the same premises and on exactly the same lines as before.

I thank you for the sympathy you extended to my firm in the past and earnestly hope that it will be continued in the future.

Yours faithfully,  
S. Banerjee.

Mr. B. M. Ganguly will sign (now) S. Banerjee & Co.  
S. Banerjee & Co.

#### Letter No. 20. Retirement of Partner.

Calcutta, 15th August, 1943.

Dear Sirs,

We have to inform you that owing to ill-health, our Senior Partner, Mr. P. R. Sen retires from business with effect from to-day.

Consequent on Mr. Sen's retirement, we find it necessary to change the name of the firm from "Sen Brothers & Company" to

## SEN AND COMPANY.

The business, however, will be carried on at the same premises and on exactly the same principles as before.

We trust that the confidence you have so long reposed in the firm will be in no way diminished by the altered arrangements.

Yours faithfully,  
Sen & Company  
(Late Sen Bros. & Company).

**Letter No. 21. Death of Partner : New Partner Admitted.**

Calcutta, 15th August, 1943.

Dear Sirs,

I have to inform you that, owing to the death of my partner Mr. R. N. Boral, I have taken into partnership Mr. B. N. Lahiri, who has been a representative of this firm for the last ten years and is fully conversant with the management of this firm.

No change will be made in the name of the firm which will continue as before under the style of—

## BOSE AND COMPANY.

We trust that the altered arrangements will not stand in the way of our enjoying your sympathy and patronage as before.

Mr. B. N. Lahiri will sign:—  
Bose and Company

Yours faithfully,  
Bose & Company.

**Letter No. 22. Amalgamation of Business.**

Calcutta, 18th September, 19. .

Dear Sirs,

We have pleasure in announcing that, on and after 18th October next, our two firms entitled Messrs. Dhar & Company, and Messrs. Kar & Company, so long carrying on business at 59, Canning Street and 42, Waterloo Street, respectively, will amalgamate under the title of—

## DHAR, KAR &amp; COMPANY.

The office of the amalgamated firms will be transferred to more commodious premises at 72, Waterloo Street to which all communications after the 18th October next may kindly be sent.

We trust that this amalgamation will enable us to offer greater facilities to our customers than we have so long been able and we hope to enjoy the sympathy so long reposed in us.

Yours faithfully,  
Dhar & Company.  
Kar & Company.

(Now Dhar, Kar & Company).

Letter No. 23. Transfer of Business. (Letter from Seller).

Calcutta, 29th July, 19. .

Dear Sirs,

I have to inform you that the business carried on by me for that last five years at the above address has been purchased to-day by the well-reputed firm of Messrs. Hiralal, Maniklal & Company of 95, Strand Road, Calcutta. The purchasing firm will transfer this business to their own premises where it will be carried on as a new department.

Messrs. Hiralal, Maniklal & Company have taken over all my liabilities, stock and book-debts, so that I must request you to send them all amounts due.

I hope you will accord to Messrs. Hiralal, Maniklal & Company the sympathy and support which you have, for the last few years, given to me.

Yours faithfully,  
A. N. Datta.

Letter No. 24. Do. (Letter from Buyer).

Calcutta, 29th July, 19. .

Dear Sirs,

We have pleasure to draw you attention to the enclosed circular which will show that we have purchased today the

hosiery business carried on so long by Mr. A. N. Datta, at 150, Harrison Road, Calcutta.

This new business will soon be transferred to our own premises where it will form a new department. We have been fortunate in being able to retain the services of some of the members of Mr. Datta's staff. With thier co-operation, and by closely following the footsteps of Mr. Datta, we hope to merit a continuance of your support and to make this new department as successful as the older branches of our business.

We shall inform you as soon as the new department begins to function.

Yours faithfully,  
Hiralal, Maniklal & Co.

**Letter No. 25.** Power of Procuration given.

Calcutta, 12th March, 19 .

Dear Sirs,

We have pleasure to inform you that we have this day granted power of procuration to our Head Assistant,

MR. S. N. SEN,

and request you to regard all that he may do in our name as done by ourselves.

Please note Mr. Sen's signature given below.

Yours faithfully,  
Hiralal, Maniklal & Co.

Mr. S. N. Sen will sign —

p.p. Hiralal, Maniklal & Co.

S. N. Sen.

**Letter No. 26.** Removal of Premises.

Calcutta, 19th March, 19 .

Dear Sirs,

Change of Address

We have pleasure to inform you that the large increase in the volume of our trade compels us to seek for more

commodious premises. Accordingly, we have decided to remove to 56, Canning Street, with effect from 31st March.

We, therefore, request you to send all your communications after 31st March to our new address.

We trust that the new premises, being more commodious and central in position, will prove more convenient to you.

Yours faithfully,  
De, Das & Co.

### Trade Circular Letter.

This is undoubtedly the most important type of circular letter. Through its medium the business man brings his goods under the direct notice of potential buyers and solicits their custom and patronage. It is certainly one of the chief concerns of the business man to command such sale of his goods as will enable him to continue at work. If sales fall off or do not increase as expected, it will adversely affect the finance of the firm. Of course, when a temporary slackness occurs, the factory owner will not stop production; nor will the wholesale dealer dispense with his staff. They will continue in hopes of better times. But they cannot do this indefinitely. A time will come when either the work must be stopped or the products sold. It is then that the need of finding a market becomes very acute. It should not be supposed, however, that the problem of finding a market arises only when the sales fall off. There is nothing like standing still in this world. And the merchant who does not try to improve his sales will soon find himself in a perilous position.

Finding a market is not a very easy task. It means persuading people to part with a portion of their money, though in exchange for something, and many will be found reluctant to do this in ordinary circumstances. A cut in price is, no doubt, a very effective method in increasing sales. But this is not always possible. Besides, the cut in prices has to be brought to the notice of prospective buyers. So, in any case, the business man has to fall back upon circular letters.

In this connection, one important fact must be borne in mind. Business men can seldom afford to lose any time. So, in most cases, when on opening the letter, if not earlier, they realise that it is a trade circular letter, they instinctively drop it into the waste paper basket. The circulars, if they are to serve their purpose, must be saved from such a fate. So great care is necessary in the drafting and general get up of these circular letters. As already indicated, they should either be cyclostyled or printed in typescript, the name and address being typed later on. The reason for this preference is obvious. People are generally averse to ordinary printed circular letters. Besides, an ordinary printed circular letter will give out its nature at first sight, whereas a circular letter, if cyclostyled or printed in close imitation of type-writing, will possess a friendly personal air, and if well drafted, may fairly be expected to be fully read by the addressee. These letters must possess a pleasing sense of courtesy. They must be lucid and suggestive. In short, a good trade circular letter will read "as the keen enthusiastic salesman speaks to the customer with whom he is face to face."

A trade circular letter is effective to the extent that it increases sales. The writer of such a letter, therefore, has before him the task of making the reader not merely read, but act. How then should the writer proceed? We indicate below some of the characteristics which a trade circular letter should possess.

(a) *The letter must catch the attention.* In order to do this, the opening sentence of the letter must arouse interest of the reader. This may be done in a variety of ways. The opening sentence may suggest that the reader's interest is at stake: *e.g.*

Do you know the total amount you have lost this year in taxes?

Or, it may offer some new service, product etc.; *e.g.*

Make the year 1944 the most profitable year you have ever had. Everybody is doing it. Why not you? In fact, we will do it for you.

The offer of a free gift may be expensive, but it is quite effective in arousing the reader's interest.

- (b) *The letter must produce conviction.* Here the writer must state facts to convince the reader that the offer is worth considering from the reader's point of view. The writer must create a sense of value in the goods or services he is selling. The chief "selling points" should be set forth in short, crisp sentences. The strongest selling point should be put last for the sake of effect.
- (c) *The letter must produce persuasion.* One may be convinced of the worth of an article and yet unwilling to part with his money. The letter must persuade the reader to do this. The letter must make him say, "I want that". In many cases, an enumeration of the merits of a thing will only convince the reader. In order to persuade him, the intangible merits of the offer should be presented along with the tangible ones. Merely reciting what the *Vacuum Cleaner* can do will not serve the purpose; all the advantages of using a *Vacuum Cleaner* should be visualised. The reader may be persuaded by a variety of ways. The most common device is to tell him that progressive, up-to-date people are doing what the writer wants him to do. In short, an appeal to the emotions, senses, imagination, vanity etc. will serve the purpose.
- (d) *The letter must produce action.* In other words, the letter must conquer the inertia of the reader and show him the way to put his desire into effect. This part of the letter is technically called the *Clincher*. Several methods are used to produce action. Chief among these are, offering inducements, making the response of the reader easy, and suggesting immediate action. The popular forms of inducements are: offer of goods for a limited time, special trial



offer, deferred payment, instalment payment and the like. To make response easy, self-addressed card or envelope, inquiry form, order-form, reply form etc. may be enclosed.

The clincher must suggest the specific line of action the reader is desired to take. One general principle should be noted here. It is bad salesmanship to offer the reader a choice of several lines of action. The letter must not suggest any action other than the one desired. The mind of the reader should be directed to one course of action only. This may be in the form,

"Do it now"; "Sign the order form",  
or, preferably,

"Why not make your decision now and mail  
us your order to-day?"

**Letter No. 27. Circular to push a Publication.**

Dear Sirs,

If you knew that you could increase your sales by 100% you would be interested in learning how, wouldn't you? Our recent publication, *The Salesman*, will tell you how.

This book embodies the result of a long research carried on by the author as the Director of All-India Stores. Perhaps no single business man of our day possesses a wider experience or is in closer touch with all that is going on in the market to-day.

As one who began his career as an ordinary salesman, the author is eminently fit to talk on the subject, and his suggestions are all characterised by his clear vision, keen insight and stout commonsense.

The book is unique of its kind. Indeed, you will not find any other single volume which contains so much that is really useful and so little that is useless in practical salesmanship.

*The Salesman* is a real boon to everyone interested in sales promotion. With its help, the salesman will sell better and the sales manager will learn to help the salesman. It will be a constant aid and guide to both.

*The Salesman* is, in fact, *The Book for the businessman*. No matter what your line of business is, you may be sure to profit by it. Just fill in and post the enclosed card and *The Salesman* will be sent to you at once.

Yours faithfully,

Letter No. 28. From a Dairy Farm.

Dear Sir,

Pure and Fresh—these are just two of the reasons why you should have our *India Butter* on your table.

Manufactured with the help of improved and up-to-date machinery, *India Butter* possesses genuine flavour and natural delicious taste. The installation of sanitary appliances enables us to prepare it untouched by hand and this ensures its purity.

*India Butter* has creditably stood the tests of Government and private laboratories. The enclosed bulletin will tell you what the analysts think of *India Butter*. It is indeed after prolonged experiments that we have been able to offer this butter to our customers.

Whatever butter you may be using or what your costs, you owe it to yourself to make a comparison. Why not fill in the enclosed card and place a sample order to-day?

Yours faithfully,  
Roy's Dairy.

### EXERCISES ON CHAPTER XI

1. Draft a circular letter for a newly started silk stores; state that stocks are complete and that all orders can be executed promptly.
2. The expansion of your business makes it necessary for you to move to larger premises. Draft a circular letter stating the date of the removal, some details of the new premises, and explaining how your customers are likely to be benefited by the change.

3. The Kamalaya Stores Ltd., Calcutta, inform their customers in Ballyganj area that their South Calcutta Branch will open on..... at 95, Rash Behari Avenue, under the management of Mr. P. M. Das. They express the hope that customers will favour the branch with their patronage. Draft the letter.
4. Messrs Rao & Iyer decide to terminate their partnership by mutual consent and appoint Mr. A. Davar of 15, Old Post Office Street, Calcutta, as Liquidator. Draft a circular letter on their behalf asking their creditors to submit proofs of their claims to the liquidator.
5. Messrs Ray & Co. announce the retirement of Mr. R. L. Ray, their senior partner. They state that the deficiency caused by the withdrawal of Mr. Ray's capital has been made good by contributions from the other partners. They thank their customers for their past favours and express the hope to enjoy them in future. Draft the circular.
6. Mr. R. Desai purchases the business known as Imperial Stores and intends to continue it under the style of National Stores. No change in the policy of the firm will be made. Draft a circular embodying these facts and expressing the hope that the firm will receive the patronage of the customers as before.
7. Messrs Chowdhury & Co., have rebuilt and extended their premises. Draft a circular letter to be sent to their customers pointing out the improvement in facilities, the opening of new departments and any other relevant matters.
8. You have granted sole agency for Ceylon for your products to Messrs. Swami & Co. Draft a circular letter to be sent to retailers to notify this fact.
9. A firm decides to adopt the C.O.D. system. Draft a suitable circular to be sent to its customers. (N.U.T. 1931).
10. As your business premises are being partly rebuilt, you apprehend slight delay in execution of orders during the next four weeks. Write a circular letter to your customers asking for their indulgence and assuring them that efforts will be made to minimise the delay and that all orders will be handled in strict rotation.
11. Draft a circular for Messrs. Agarwal & Co., to inform their customers that Mr. Mohanchand Kapur, their representative in West Bengal and Bihar area is no longer in their employment, and that they will not be bound by any receipt given or representation made by him.
12. Draft a circular to be issued to his customers by Mr. David Ellis, Ironmonger, Penarth, notifying removal to larger premises at 13 Broad Street and that he has taken his chief salesman, Ifor Hughes, into partnership; the name of the firm in future will be Ellis and Hughes. State that a large and varied stock is on view and invite orders and enquiries. (C.U. 1949).

13. Write a circular letter as from a firm of electrical engineers seeking the custom and patronage of the public. (C.U. 1940).
14. Draft a circular letter as from the Manager of a Dairy Farm soliciting public patronage. (C.U. 1941).
15. Draft a circular as from the Secretary of your College Magazine inviting advertisements.
16. Draft a circular letter as from the manager of a newly started non-party political weekly soliciting the support of the public. (C.U. 1942).

## CHAPTER XII

### FOLLOW-UP LETTERS

Closely connected with trade circular letters is another class of letters popularly known as follow-up letters. The majority of sales promoting letters, even though satisfactory in every detail, will at most create a desire to buy. The aim of the follow-up letter is to convert the desire into an actual order.

The business man who does not know for certain how far his trade circulars are promoting his sales is really working in the dark. The able business man will make a register which will show how many cases resulted into actual order, how many into inquiries and how many failed to get any response. He will then attend to the inquiries with a view to securing orders and send letters to the third group. These letters will be in continuation of his previous circulars, and will refer to them. Such letters which are in continuation of previous letters and have sales promotion as their object are known as follow-up letters. Follow-up letters serve another purpose also. They very often help to retain old customers.

The big mail-order houses in America have been built up on this follow-up system. In a mail-order business, the goods are supplied direct to the customer, the middleman—wholesaler or retailer—being altogether eliminated. The appeal to the prospective buyer is made through trade circulars, press advertise-

ments, pamphlets and the like, and these are followed up by follow-up letters. No wonder, therefore, that the follow-up system has reached its perfection in the mail-order business.

The follow-up system, to be properly worked, requires a card index register. Full particulars of the individual are entered on the index-card. Any special information that may be useful is also recorded. The cards are then filed in alphabetical order. Different business houses prefer different classified sections in the register. One firm for circularising purposes may prefer classification according to profession; another may have a geographical classification; and yet another may classify as "Prospective Buyers," "Inquiries," "Customers," and so on. The classification depends upon the convenience or requirements of the firms concerned. After this classification, follow-up letters will be posted and the dates noted on the cards. The principals will then watch carefully for indications of response to the follow-up letters and note anything useful they may gather on the cards. A second and third follow-up letter may be required to be sent. The usual practice is to allow ten days to lapse between two follow-up letters. "The card-index register is the key-stone of the mail-order business. The record cards should not only show the various transactions with the customer, but there should also be noted thereon any of his particular likes or dislikes, and every bit of personal information relating to the customer himself which we are able to glean from his correspondence or obtain otherwise. With a comprehensive record of this nature the order clerk is enabled—at a glance—to select goods of a type likely to appeal to the customer. In turn, the correspondence section is able to send him the right kind of form-letter or—if a specially dictated letter be sent, the dictator can extract the record card and embody in his letter something of peculiar interest to the recipient." (Bull: *Selling Goods By Post*).

The follow-up letter, as already indicated, is used to convert the prospective buyer or inquirer into a customer and to retain old customers who are found drifting away. Such being the case

the follow-up letter must impart confidence. Like the trade circular letter, it must produce conviction, persuasion and action. Each succeeding follow-up letter must emphasise a point in the previous letter or advance a fresh argument. In short, the letter should seek to discover the responsive chord of the reader. That is why each letter advances a fresh argument so that some one argument about the offer may appeal to the reader.

The follow-up letter is also usually cyclostyled or printed in large numbers, in typescript, the name and address being filled in by the typist. The signature is either cyclostyled, hand written or in facsimile. The letter should be pleasant-reading courteous, suggestive and full of confidence. An order form should always accompany a follow-up letter.

Let us now examine a few bad examples and find out the defects;—

Dear Sir,

We wrote to you some time back regarding our latest publication, *Modern Business Practice*; but we have heard nothing in reply. We, therefore, take the liberty of writing to you again on the same subject, etc.

The letter opens with a suggestion of reproach. If the previous letter failed to get a response, probably the writer is to be blamed, not the addressee. Again,

Dear Sir,

We take the liberty of writing to you again about our NEW ERA PENS. Our firm enjoys a wide reputation and it will be a real disappointment to us if we do not receive a response from you.

This again, is faulty; the reputation of the firm or its disappointment is not likely to interest the correspondent. The letter should rather consider what may interest the reader.

Dear Sir,

We have received no response to our previous letters to you on the subject of your inquiry about our Auto-Sharpeners. Perhaps you decided not to place your order for it. Or have you merely postponed it etc.

*BATA* costs you very little more than the average shoes. But those who use *BATA* know very well that it is thrifty to buy *BATA*. *BATA* will wear and wear and retain perfect shape long after ordinary shoes have become mishapen.

Just a glance at our shoes will convince you how trim and smart they are. Why not pay us a visit?

Yours faithfully,

**Letter No. 30. Second Letter.**

Dear Sir,

Everybody wants shoes that combine real comfort with style. That is exactly where *BATA* comes in.

*BATA* gives you comfort—real healthful comfort—combined with a distinctiveness of style all its own. You can spend your whole day doing your work, shopping from store to store, climbing stairs, and yet return home still cheerful and smiling, just because your feet are comfortable.

In social affairs, tea-parties or dinners, you could wear *BATA* and may be justly proud of your shoes because *BATA* always leads in style.

Don't forget our invitation to come and have a look at our shoes.

Yours faithfully,

## Letter No. 31. Third Letter.

Dear Sir,

Where else will you find a pair of shoes that will retain its shape even when it is too old for use?

*BATA* offers you the biggest shoe value. Prepared from selected leather under expert management, *BATA* lasts longer than any average footwear and is always in perfect shape. Indeed, *BATA* offers a double value—thrift and luxury.

Our foot specialist will be here during the next week, and you may have his services—free and without any obligation. Why not pay us a visit then?

Yours faithfully,

## CHAPTER XIII

THE MEMORANDUM AND  
TELEGRAPHIC COMMUNICATIONS

## The Memorandum.

The Memorandum is often used for brief and unimportant communications. In it the opening and closing salutations are dispensed with. A memorandum requires no signature, though it is customary for the clerk responsible for it to add his initials. The use of the memorandum, thus, saves the principal the trouble of signing letters of minor importance.

Memorandum forms are kept printed with the sender's name and address, and with a space for the date and the name and address of the addressee.



The Memorandum generally takes a form like the following:—

### Memorandum

20th April, 194 .

*From*

*To*

Bengal Bakeries Ltd., .....	
30, Tilak Road, .....	
Calcutta. ....	

We have not received from you any empty cases during the last two months, and we shall be obliged by your returning immediately all you have on hand.

P.C.L.

### Telegrams.

It often happens that business transactions cannot be executed quickly enough through the medium of letters. In such cases the business man has to take the help of the telegraph.

Telegrams may be divided into three classes according to their language. These are,—open, code and cipher telegrams.

(a) *Open Telegrams.* The messages in these cases are so worded that their meaning is clear to everybody. That is why they are called *open*. An open telegram may be either *Ordinary* or *Express*.

(b) *Code Telegrams.* These are drafted on the basis of a code book. In code, words or combination of letters having the appearance of words stand for whole sentences. The length of each word, however, must not exceed ten letters, and must consist of syllables which can be pronounced in the principal European languages. There are recognised codes such as ABC, Lieber's, XYZ, etc.; a private one may similarly be arranged between the correspondents. We give on page 87 an extract fr

the ABC Code, 5th edition, in order that the student may have a clear idea of the nature of code language.

(c) *Cipher Telegrams.* These consist of groups of figures or of letters, having a secret meaning. The length of each group may not exceed five figures or letters. Figures and letters must not be included in the same group. Big business houses generally employ a cipher or code for economy and also to ensure secrecy in messages.

Every telegram may be split up into three parts, viz., the address, the message and the signature. As every word in the telegram costs money, it becomes necessary that telegraphic communications should be as condensed as possible. In writing a telegram, grammatical form need not be observed. But great care should be taken that the telegram is clear and definite in meaning. On no account must clearness be sacrificed to brevity. The object of a telegram is to save time. If the telegram is ambiguous or if it is not clearly worded, other explanatory telegrams or letters will be necessary, to make the meaning of the original message clear. That will surely defeat the purpose of the telegram and there will be a loss in the bargain.

(i) *The Address.* The title *Mr.* or *Messrs* is omitted for the sake of brevity. The omission should not be such as may render the delivery of the telegram difficult. Many firms have a special telegraphic address for which they pay a certain fee annually. Since in these cases, the full address of the firm is registered at the Post Office, neither the street name nor house number is necessary. A special telegraphic address, thus, means a considerable saving in telegram fees. Any person can register a special telegraphic address. Such an address must consist of at least two words, one of which must be the name of the post town. An address already registered may not be used.

(ii) *The Message.* The message is condensed by omitting words which are not indispensable. In other words, only the essential words of the message are sent. For example, suppose one has to telegraph a message which, if written, would appear as follows:—

(iii) *The Signature.* The mere surname of the sender is generally given. Even this may be omitted when the sender is definite that the addressee will have no doubt regarding the sender's identity.

Telegrams are generally written on forms supplied by the Post Office. The cost of a reply is sometimes prepaid by the sender. In that case, a reply form will be delivered to the addressee along with the telegram. The addressee may send his reply from any telegraph office.

It is the invariable practice in business to confirm a telegram immediately by a letter. The letter repeats the message of the telegram and indicates the date of its issue; e.g.

Dear Sir,

We confirm our today's telegram as follows—  
"Postpone booking letter follows."

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Reproduction from Page 585 from A.B.C. Code, 5th edition.

CODE NO.	CODE WORDS	Remit— <i>continued</i>
33632	<i>Rebaleur</i>	If you do not remit
33633	<i>Rebalsar</i>	Remit by telegraph
33634	<i>Rebalseis</i>	Remit proceeds by telegraph
33635	<i>Rebanare</i>	Remit here as soon as possible by post (mail)

CODE NO.	CODE WORDS	Remit— <i>continued</i> .
33636	<i>Rebanegas</i>	Remit the balance
33637	<i>Rebanego</i>	Remit the balance as soon as you can
33638	<i>Rebanemos</i>	Remit the balance to—
33639	<i>Rebanhar</i>	I (we) remit
33640	<i>Rebanos</i>	I (we) remit by telegraph
33641	<i>Rebaptize</i>	I (we) remit proceeds by telegraph
33642	<i>Rebarder</i>	Will remit by the first post (mail)
33643	<i>Rebasaban</i>	Will remit to-morrow
33644	<i>Rebasando</i>	Will remit in a few days
33645	<i>Rebasaria</i>	Cannot remit at present
33646	<i>Rebassiner</i>	Cannot remit until—
33647	<i>Rebatar</i>	Shall I (we) remit or will you draw
33648	<i>Rabatedor</i>	Do not remit I (we) will draw
33649	<i>Rebatias</i>	Do not remit but by good bankers' bills
33650	<i>Rebatiste</i>	Please to remit sufficient to meet draft(s) maturing
33651	<i>Rebatosas</i>	Please remit to——, and debit our account
33652	<i>Rebatoso</i>	Have requested——to remit you on account

### EXERCISES ON CHAPTER XIII

1. Draft a telegram to instruct your traveller, Mr. R. Desai who is in Delhi, to proceed at once to Bombay where a letter of instruction will reach him at the Tajmahal Hotel.
2. A commercial traveller of National Soap Works, Calcutta, finds that he can secure a pretty big order from Dayaram & Co., Patna, if a discount of 10 p.c. 3 months instead of the usual 7½ p.c. 3 months is allowed. Draft for him a telegram seeking the permission of his firm.
3. Draft a telegram from Macduff & Co., Glassgow, informing James & Sons of Birmingham that owing to a serious breakdown of the machinery in the factory half the goods only have been despatched; that the remainder of the order cannot be delivered before the expiration of 15 days; also express regret at delay. (L.C.C.)
4. Draw up a telegram, as short as possible, from "Ajax" to Mr. Charles Smith, King's Parade, Brighton (T. A. Hospital, Brighton), stating that a representative will call on Thursday, April 23rd, to discuss the

## CHAPTER XIV

### INQUIRIES.

A business man will not think of changing his sources of supply unless it becomes necessary. But that is no reason why he should remain in the dark about the movements in market-rates of the things in which he deals. No doubt, he sometimes gets an idea about this from newspapers, market-reports, price lists, offers and the like. But that is not enough. He has to send out inquiries from time to time in order to ensure that he has been receiving goods at the most advantageous terms, or to discover better sources of supply or to tap some new line of business.

The following chief points should be remembered while drafting an inquiry—

- (1) The kind and quantity of goods desired should be carefully described and an idea should be given of the probable order.
- (2) To eliminate doubts, samples should be sent or asked for.
- (3) If any special form of packing etc. is desired, it should be clearly stated.

(4) If the inquiry is addressed to a firm with which no previous transactions have been made, the inquiry should indicate whether the probable purchase should be for cash or on credit. It is also advisable to give references, especially when the purchase is intended to be on credit.

(5) Inquiries usually terminate with a request for lowest quotations together with an assurance of business.

Letter No. 32. Inquiry for Price of Socks.

Calcutta, 5th September, 1943.

Messrs. P. N. Laha & Co.,  
Lahore.

Dear Sirs,

Please quote us as early as possible your lowest prices for Half Hose Cashmere Socks of all sizes in assorted colours.

Should your prices suit us, we may soon place an order for cash for several gross of each size.

Yours faithfully,  
B. Gupta & Co.

Letter No. 33. Inquiry for Poster Paper.

Calcutta, 19th November, 1941.

Bengal Paper Stores,  
31, Old China Bazar Street,  
Calcutta.

Dear Sirs,

Please let us know at what price per cwt. and upon what conditions of payment you are able to deliver large quantities of

Good White Poster Paper.

The paper should be Double Royal, 30 lbs. preferably glazed and must be guaranteed to keep its colour on the walls.

If your prices and terms prove satisfactory, we shall cover all our requirements for the season through you.

Yours faithfully,  
K. P. Guha & Sons.

References—

Roy & Sons,  
College Road,  
Bombay.  
P. Sarma & Co.,  
Ballard Street,  
Bombay.

**EXERCISES ON CHAPTER XIV**

1. Write a letter from the Calcutta Stores Ltd., to the Metropolitan Press, asking for quotation for the printing of their catalogue, 20,000 copies, copy enclosed.
2. Mehra Bros., Patna request National Rubber Works, Calcutta, to send them a copy of their illustrated catalogue of garden tents together with a price list for all varieties and sizes. Draft the letter.
3. Messrs Mehra Bros., Patna have studied the price list of National Rubber Works, Calcutta, and they are willing to place an order if the supplier would pay the carriage. Draft the letter on behalf of Mehra Bros.
4. Write a letter from India Toilet Products Ltd., Calcutta to a firm of advertising agents asking for particulars of the hoardings available.

- able for posters in the South Calcutta area. (State the size of the posters and the approximate amount of space expected).
5. As the Secretary of your Club write a letter to a firm of caterers to submit quotation for the Annual Dinner of your club to be held on their premises. State the number of covers to be laid and the courses you require.
  6. Parekh & Co., Tailors & Outfitters, Poona, write to Gulam Hossain & Co., Bombay for sample patterns of "Super X" suitings together with lowest quotations. They hint that should the quotations prove favourable, a big order will follow.
  7. Sohanlal & Co., Delhi, write to F. N. Gupta & Co., Calcutta inquiring to what extent the latter can reduce the catalogue price of their "Middling" pencils for orders above 500 gross.
  8. Ray & Sons require 50,000/1 lb. tins of Condensed Milk to execute a foreign contract. They write to National Nutriment Co., Ltd., Calcutta for quotation. They stress the size of the order and ask for lowest quotation. Draft the letter.

## CHAPTER XV

### OFFERS AND QUOTATIONS

The terms, offers and quotations, are often used synonymously. Indeed, the difference between the two is very slight. A quotation is supplied in reply to an inquiry, whereas an offer may or may not be preceded by an inquiry. An offer may sometimes be made to a large number of customers when it is worded in general terms and assumes the form of a printed circular letter, whereas a specific offer is restricted to the article in question and is sent to the inquirer only. Thus, the general offer is akin to the circular, but the specific offer is equivalent to the quotation.

The object of making an offer is to open up new markets or to render brisk an already existing dull market. Offers stimulate the sale of goods or services to the reader. Thus they are action letters and should possess the characteristics mentioned in connection with trade circulars. An order form should accompany an offer,



Replies to inquiries should be attended to immediately, and with especial care. "Every letter is a sales letter." Indeed, the business man must seize every opportunity of promoting his sales, and what can be a better opportunity than the one offered by an inquiry? When an inquiry is received, it may be reasonably assumed that some interest, at any rate, has been taken in the goods. Perhaps, it is a passing spark of interest that has been kindled. The keen business man will fan the spark and fire it with desire. And this he does by means of his reply to the inquiry. It has been remarked that the "letter to a prospective customer is a silent salesman whose travelling and hotel expenses amount to  $1\frac{1}{4}d.$ , who may, notwithstanding his cheapness, be prelude to a long course of mutual service."

Such being the importance of these letters, it is really a matter of regret that we often come across many that are crude, slovenly and feeble. Let us examine a few cases.

Dear Sirs,

We have your inquiry dated yesterday and state that we don't make genuine silk stockings.

Yours faithfully,

the concern of the business man as of the inquirer. It may be that the lifeless reply does not impress the inquirer, and he buys a thing of inferior quality. No doubt, he is a loser thereby; but our firm also loses the order. And no order is too small to be desired.

Examine the following letter—

Dear Sirs,

In reply to your inquiry of the 9th August, we are submitting Estimate for your Reeling Machine and trust it will meet with your approval.

Assuring you of our best services at all times,

We are,  
Yours faithfully,

This letter, with its hackneyed ending, is crude, colourless, and wanting in "pulling power". The letter should emphasise some feature of the estimate which may favourably commend it to the inquirer.

Here is one more example—

Dear Sirs,

We take the liberty to quote for your supplies of Office Files of every description. Our goods are all very well reputed and we enjoy the support of many business houses of this city and outside. Owing to increase in business we have recently extended our works and our stock is always adequate to the varied demands of our customers. We enclose an illustrated price-list which will give you details regarding our prices and terms of business. Your trial order is solicited.

Yours faithfully,

This is a common specimen of an offer, but quite ineffective nevertheless. It is lacking in its appeal, it has no grip of any kind. That is why it "misfires". People are not likely to be interested in a firm's extension, range of supply, etc. The letter must have some argument or inducement to arrest the attention.

of the reader. It should avoid generalities and focus the reader's attention to one particular thing. A paragraph like the following would have been effective:—

We particularly draw your attention to our *Eureka* Box File, illustrated on page 5 which we have marked with blue pencil. It is a very convenient receptacle for documents to which frequent references have to be made, and the auto-press with which it is provided prevents any disorder in the arrangement of the contents. It is light and at the same time durable. The *Eureka* Box File is neat and decent in appearance and will look well on your office table.

We shall now give some examples:

**Letter No. 35.** Reply to Inquiry about an article which the firm does not make.

Calcutta, 6th August, 1943.

Messrs Das & Co.,  
Patna.

Dear Sirs,

We have your inquiry of the 4th August. We are sorry, however, to have to tell you that we make only artificial silk stockings. We have handed your inquiry to India Silk House and, we are sure, you will soon hear from them.

As dealers in hosiery goods, you will be interested in our products, and so we take this opportunity to send you a copy of our current catalogue. In colour, design and durability our products have been competing very favourably with genuine silk stockings and have been satisfying even the most discriminating buyers. You will find our terms of business on page 3 of the catalogue, and we particularly draw your notice to the special terms to big purchasers, given on page 4.

We enclose an order form for your convenience.

Yours faithfully,  
Banerjee Brothers & Co.

**Letter No. 36. Quotation for making Machines.**

Howrah, 10th July, 1942.

Messrs. Ray & Sons,  
Calcutta.

Dear Sirs,

In accordance with your request dated 4th July, we have pleasure in submitting below our estimate for the Reeling Machines as per your drawing.

No. 1. Hand-driven at Rs. 95|-

No. 2. Pedal with outo-stop at Rs. 135|-

No. 3. Convertible at Rs. 120|-

ex works, Howrah, net cash against three months' acceptance. We can deliver within three weeks after receipt of your order. If you could order at least 3 of each type at once, we could allow you a discount of 10%.

Our workmanship is faultless and every machine we make carries with it a guarantee for two years, during which period we undertake to repair, free of charge, any defects in the machine arising from faulty material or workmanship.

We believe you will find the quotation favourable and will be able to place the order with us.

Yours faithfully,  
Fatikchand & Sons.

**Letter No. 37. Quotation for Palm Oil.**

Madras, 10th August, 194 .

Bengal Soap Works,  
Calcutta.

Dear Sirs,

We thank you for your inquiry of the 5th August and can quote you Palm Oil as follows—

Lagos                      ..                      Rs. 300|- per ton.

Lagos Quality                      ..                      Rs. 295|12|-

with 2% discount against cash in 14 days, *ex* railway stati

Owing to the upward tendency of the market, regret, we cannot keep this offer open after seven days this date.

Yours faithfully  
S. Ranga &

### EXERCISES ON CHAPTER XV

1. In reply to the inquiry of the Calcutta Stores Ltd., the Metropolitan Press states the rate at which it is prepared to undertake the print of the catalogue, copy received, 20,000 copies.
2. In response to the request of Kamala Stores, Calcutta, the *Bombay Chronicle* forwards a schedule of its space rates and quotes the discount allowed for 12 insertions.
3. The National Rubber Works, Calcutta, write to Mehra Bros. Patna regretting inability to send goods carriage paid owing to narrow margin of profit. They emphasise certain merits of their garments with a view to obtaining the business.
4. Confirm by letter a quotation you sent by wire, expanding the quotation and giving it sales value.
5. British-owned Refrigerator and Air-Conditioner Sales and Service Business for disposal; with present short supply shows good returns on the 1½ lakh invested. Brilliant prospects after war. What offer? Box 5322 C/o *The Statesman*, Calcutta.  
Draft a reply to the above advertisement on behalf of a client who is not willing to invest more than a lakh of rupees, clearly indicating the conditions under which only the offer would be valid. (C. U. 1945).
6. Gulam Hossain & Co., Bombay, in reply to the request of Parekh & Co., Poona, enclose patterns and quote prices for different varieties of "Super X" suitings. They offer a special discount for orders over Rs. 2,000/-. Draft the letter.
7. Draw up a well-worded letter from the following notes inserting names and addresses:—  
Letter knowledge — samples and prices forwarded — many others in stock — prices for small quantities — reduction for larger — every effort to please. (C. U. 1927).
8. In reply to the inquiry of Ray & Sons, National Nutriment Co. Ltd., Calcutta, state that they can supply 50,000/1 lb. tins of "Lacto" Condensed Milk at 10 per cent below the price stated in the list, but this quotation should be treated as special and must not be utilised as a precedent.
9. Sen & Co., your old customers, have suddenly ceased to do business with you. Write a letter to ascertain the reason and make a special offer to regain their custom.

10. Mr. P. Saxena, Agra, writes to your firm for quotation for "two good reclining chairs in steel frames". Send him a marked catalogue, recommend two styles, and state your terms.
11. Inform your customers that you have been able to make a general reduction in price, without lowering the original standards, by means of factory economies.
12. Send a copy of your catalogue of tinned Indian Sweetmeats to a firm of export merchants, and emphasise the prospects of your products in the foreign market.
13. You have received an inquiry about your Carpet Sweepers from Dastoor & Co., Delhi. Write a letter acknowledging receipt of the letter and telling them that you are sending one of your representatives to give a demonstration.
14. Draft a letter to be sent out to customers, offering them a commodity at cheaper rates, if ordered in quantity, and giving a suitable reason (or reasons) for the reduced price. (*C.I.S. Inter.*).

## CHAPTER XVI.

### ACCEPTANCES AND ORDERS

The next stage of offer is acceptance and order. When the business man finds an offer favourable, he may accept it by a letter. This letter, accepting the offer of the seller, is called the Letter of Acceptance. As soon as an offer is accepted by the buyer, a contract between the two parties results. In many cases, the letter of acceptance is in effect an order letter, and is sufficient to complete the transaction. In other cases a formal order is sent.

An acceptance by letter must be in the exact terms of the offer. Should it differ in any point, technically it ceases to be an acceptance, and a new offer must be made to complete the contract.

An Order Letter need not be preceded by an inquiry or offer. The person placing the order acts on information received through catalogue, advertisements, etc.

This Order Letter constitutes a contract of purchase and sale. Its importance, therefore, is quite apparent. Proper care should

be taken in the drafting of the order to ensure its efficient handling and to eliminate all doubts resulting in loss of time and possibly of the market.

A good order letter should contain the following main points—

- (1) Specification of the goods ordered. The letter should contain complete and exact information of the goods ordered—kind, colour, size, style, degree of fineness, number or amount, etc. Each item should be put in a separate line, and the catalogue number, trade name or any other identifying device should be given. Where exact description is impracticable, it is advisable to send a sample or pattern. Sometimes a reference to the source of information about the goods *viz.*, an advertisement, circular etc. is given to help the seller to verify the items.
- (2) The price of the goods. The price which the buyer is prepared to pay or the price of the goods should be stated in the order. Sometimes the price is limited, *i.e.*, the buyer instructs the seller that the price of the goods must not exceed a particular amount. In other cases, the price is left to the discretion of the seller with a request that the lowest price be charged. Where the price is limited, the seller must not exceed the limit without communicating with the buyer.

should be enclosed or a couple of trade references should be given.

- (4) Time of delivery. Often the time of delivery is an important element for buyer. So the order letter should state clearly the time limit within which the delivery should be made. The buyer is perfectly within his rights to do so. If the buyer give no time limit and goods reach him too late to supply his own customer, he has only himself to blame.
- (5) The mode of carriage. Where there is no standing arrangement between the buyer and the seller as to the mode of carriage, the buyer should state whether the goods should be sent by parcel post, goods train, passenger train, or by steamer, and also the route convenient for him. If complete directions are given and the seller departs from them, he is responsible for any consequent loss or delay. If, on the other-hand, the goods are sent according to the mode of carriage specified, the seller is not responsible for any consequent loss or delay, and the buyer must present his claim to the carrier for compensation.
- (6) Special instructions. Special instructions for packing, insurance, the payment of customs duty etc., should come at the end of the letter.

Many business houses use printed Order Forms for placing orders. These are generally perforated, numbered and made up into books. These forms provide different columns for particulars to be filled in while ordering goods. The order is usually made out in triplicate. The original is sent to the seller, one of the copies is meant for the Order Book or file, and the other copy is sent to the receiving department for checking the goods on arrival.

The Order Form has several advantages. It saves time and labour; the correspondent has only to fill in the particulars. What is of still greater importance is that it makes the



be taken in the drafting of the order to ensure its efficient handling and to eliminate all doubts resulting in loss of time and possibly of the market.

A good order letter should contain the following main points—

- (1) Specification of the goods ordered. The letter should contain complete and exact information of the goods ordered—kind, colour, size, style, degree of fineness, number or amount, etc. Each item should be put in a separate line, and the catalogue number, trade name or any other identifying device should be given. Where exact description is impracticable, it is advisable to send a sample or pattern. Sometimes a reference to the source of information about the goods *viz.*, an advertisement, circular etc. is given to help the seller to verify the items.
- (2) The price of the goods. The price which the buyer is prepared to pay or the price of the goods should be stated in the order. Sometimes the price is limited, *i.e.*, the buyer instructs the seller that the price of the goods must not exceed a particular amount. In other cases, the price is left to the discretion of the seller with a request that the lowest price may be charged. Where the price is limited, the seller should not exceed the limit without communicating with the buyer.
- (3) The mode of payment. The order letter should state clearly whether the purchase will be for cash, on credit, or against acceptance. When a cheque, draft or money-order is enclosed in payment, it should be stated in the letter. Where the buyer has an open account (*i.e.* prearranged credit) with the seller, the order is generally charged to the open account. If the letter is a first order to the seller, either payment

should be enclosed or a couple of trade references should be given.

- (4) Time of delivery. Often the time of delivery is an important element for buyer. So the order letter should state clearly the time limit within which the delivery should be made. The buyer is perfectly within his rights to do so. If the buyer give no time limit and goods reach him too late to supply his own customer, he has only himself to blame.
- (5) The mode of carriage. Where there is no standing arrangement between the buyer and the seller as to the mode of carriage, the buyer should state whether the goods should be sent by parcel post, goods train, passenger train, or by steamer, and also the route convenient for him. If complete directions are given and the seller departs from them, he is responsible for any consequent loss or delay. If, on the other-hand, the goods are sent according to the mode of carriage specified, the seller is not responsible for any consequent loss or delay, and the buyer must present his claim to the carrier for compensation.
- (6) Special instructions. Special instructions for packing, insurance, the payment of customs duty etc., should come at the end of the letter.

Many business houses use printed Order Forms for placing orders. These are generally perforated, numbered and made up into books. These forms provide different columns for particulars to be filled in while ordering goods. The order is usually made out in triplicate. The original is sent to the seller, one of the copies is meant for the Order Book or file, and the other copy is sent to the receiving department for checking the goods on arrival.

The Order Form has several advantages. It saves time and labour; the correspondent has only to fill in the particulars. What is of still greater importance is that it makes the

correspondent supply all the details that are necessary for a proper execution of the order.

We give below a few specimen order letters to illustrate these points—

Letter No. 38. Ordering Goods from Catalogue.

Calcutta, 12th August, 194 .

New India Stores,  
Hornby Road,  
Bombay.

Dear Sirs,

Would you please send us by rail the following articles listed in your current catalogue:

No. 89	Four doz. sets of Knives and Forks with ebony handles	Rs. 9/-	per doz.
No. 93	Four doz. sets of Knives and Forks with horn handles	„ 10/-	„
No. 112	Six doz. forks with 4 prongs	„ 9/12	„
No. 121	Five doz. Vegetable Knives	„ 9/-	„
No. 124	Four doz. Dessert Knives and Forks with ebony handles	„ 5/-	„
No. 131	Six doz. Staybrite Dessert Spoons	„ 7/8	„

On receipt of the consignment, we shall cover you for the amount of the invoice.

Yours faithfully,  
K. P. Guha & Sons

Letter No. 39. Order for Poster Paper.

Calcutta, 14th November, 194

Bengal Paper Stores,  
Calcutta.

Dear Sirs,

We thank you for your letter of the 11th November enclosing samples, and we accept your quotation of R. N

Supra Poster Paper. We shall be glad if you will send us to-morrow—

20 (Twenty) Reams of 30 lbs. Double Royal glazed, white Poster Paper—Sample No. 2. R. N. Supra @ -/4/6 per lb.

The delivery according to your offer will be made free, and for the amount of your invoice you may cover yourself by drawing upon us at two months from the date of your invoice.

Yours faithfully,  
P. M. Das & Co.

**Letter No. 40. Order for Machines.**

Calcutta, 15th July, 194 .

Messrs. Fatikchand & Sons,  
Howrah.

Dear Sirs,

We thank you for your letter of the 10th July, and request you to undertake the construction of 3 (three) Reeling Machines as per drawings sent with our letter of the 4th July.

The charges, as fixed by you, will be as follows—

No. 1. Hand-driven ..	Rs. 95/-
No. 2. Pedal with auto-stop ..	„ 135/-
No. 3. Convertible ..	„ 120/-

The machines must be guaranteed as usual for two years, during which period you will undertake to repair, free of charge, any defect that may arise. The machines will have to be delivered on 30th August, and to ensure this, you will bind yourselves to pay us a compensation of Rs. 5/- (Rupees five only) for each day beyond the date fixed for delivery.

Please confirm this order with conditions stated above.

Should the machines prove satisfactory, we may be able to place further orders with you, as we shall soon require some more for our new factory at Murshidabad.

Yours faithfully,  
Ray & Sons.

Letter No. 41. Order by telegram confirmed.

Calcutta, 15th August, 194 .

Messrs. S. Ranga & Co.,  
Madras.

Dear Sirs,

We thank you for your quotation of Palm Oil dated 10th August, and confirm our order by telegram of to-day's date as follows—

“Accept Lagos Four Tons at three hundred immediate dispatch.”

Please confirm this orders and inform us when you dispatch the goods.

Yours faithfully,  
Bengal Soap Works.

### EXERCISES ON CHAPTER XVI

1. Ram Sankar & Sons, Benares, give Abul Kassem & Co., Peshawar, an order for

1 cwt.	Apricots @	Rs. 60/-	per cwt.
1	„ Black Currants	„ 75/-	„ „
1	„ Plums	„ 60/-	„ „
2 cwts.	Raisins	„ 80/-	„ „
2	„ Kabul Figs	„ 50/-	„ „

to be sent by passenger train as early as possible, the amount of the invoice to be collected by negotiating the R/R through the Allahabad Bank.

2. Place an order for 10 tons of “Supra” Axle grease, and reserve the right to reject the goods if delivered more than 7 days after the date of the order. The grease is to be sent by passenger train, carriage forward to your station.

## CHAPTER XVII.

### CONFIRMATION, EXECUTION, REFUSAL, OR CANCELLATION OF AN ORDER

The long-sought order for goods has at length arrived. It stands to reason, therefore, that the business man will handle it with care, and endeavour to establish an enduring and profitable connection with the customer.

When an order is received, an acknowledgment of its acceptance (*i.e., confirmation*) should be made immediately. That is a mark of courtesy as well as good business. In practice, however, no acknowledgment is generally made when the order is executed at once. In such a case the letter advising execution of the order serves the purpose of confirmation as well.

Acknowledgment of orders from new customers and regular customers should be differently drafted. In the case of a new customer, a personal letter, welcoming him to the list of satisfied patrons, is most appropriate. In the case of regular customers, however, a form letter may be used. But when the order is of

an unusual size, a form letter is deemed inadequate. A personal letter should then be written "thanking the customer for this business and congratulating him on being so successful in handling the merchandise of the selling firm."

The acknowledgment of an order should contain the following chief points—

- (1) The date of the order and the buyer's order number, if any.
- (2) A repetition of the essential points of the order, such as, specification of the goods, prices, mode and time of delivery, the manner in which the seller intends to cover himself, etc. This will enable the customer to check any possible inaccuracy.
- (3) Thanks to the customer for his order and solicitation for further orders.

Sometimes, the customer's order will be found defective, *i.e.* not embodying all the points necessary for prompt execution. The order may be lacking in exact information about the goods desired, the remittance or trade-references may be wanting, payment may be inadequate and so forth. In such cases, the acknowledgment must be very tactful. It should begin with thanks for the order and then ask for the information for want of which the order has been held up. The letter should be so drafted that the customer may not feel rebuked for his omission. He should rather be made to feel that the letter is intended to protect his interests and is not meant for the convenience of the seller or merely a pretext for delay.

Again, it may so happen that goods are out of stock and an order cannot be executed within the specified period. Here also, the acknowledgment should thank the customer for his order and then try to retain his custom. This may be done by stating the definite date when the goods can be supplied or by suggesting a substitute or by offering both the alternatives.

The following letters illustrate these remarks.

**Letter No. 42.** Acknowledgment of Order. Simple form.  
Calcutta, 16th July, 194 .

Messrs. Ray & Sons,  
Calcutta.

Dear Sirs,

We thank you for your order of yesterday's date for 3 (three) Reeling Machines as per drawings sent with your letter dated 4th July. We assure you that we shall take every care to execute the order to your satisfaction.

The machines will have the usual guarantee for two years and for this we bind ourselves to repair free of charge any defect due to faulty construction or material. We further bind ourselves to deliver the machines on or before 30th August next, failing which we shall pay you a compensation of Rs. 5/- (Rupees Five only) for each day of delay.

We shall write to you as soon as the machines are ready for delivery.

Yours faithfully,  
Fatikchand & Sons.

**Letter No. 43.** New Customer Welcomed.

Calcutta, 17th October, 194 .

Messrs. Bose & Co.  
Patna.

Dear Sirs,

We thank you for your order No. 621, dated 14th October, for 15 dozen Linen Handkerchiefs at Rs. 10/8/- per doz. The goods have been dispatched to-day by rail, and from the invoice enclosed you will note that the amount due to us Rs. 150-4-0 only.

This is the first occasion we have the pleasure to execute your order and we heartily welcome you to our list of satisfied patrons. We assure you that you will always



find our goods satisfactory and hope that this trial order will lead to an enduring connection with you.

Yours faithfully,  
Ghose & Company.

Enc. 1.

Letter No. 44. Acknowledging a Big order.

Calcutta, 19th October, 194 .

Messrs. Nandy & Sons,  
Dacca.

Dear Sirs,

We thank you for your order dated 17th October for 150 doz. bars of "Rising Sun" Washing Soap @ 5/- per doz to be delivered on 1st November.

The order has been booked for execution and will be dispatched by goods train in wooden cases on 22nd October.

We thank you very much for your brisk business and particularly congratulate you on your success in disposing of our goods to mutual advantage.

Yours faithfully,  
Bengal Soap Company.

Letter No. 45. Asking for Details.

S. K. Banerjee, Esqr.  
Patna.

Dear Sir,

We thank you for your order of the 16th October for two All-wool Pullovers, 36", catalogue No. 611, @ 22/8/- each. You have not stated in your order what colours you desire. Surely, you do not want us to send you colours of our own selection. So, if you will kindly let us know your choice, we will send the pullovers without delay.

Yours faithfully,  
Punjab Trading Co.

**Letter No. 46.** Asking for Details.

Messrs. Cox, Wilson & Co.,  
London.

Dear Sirs,

We thank you for your letter of the 2nd March covering your Indent No. 576 for 150,000 "Bombay Special" Cigarettes. The cigarettes will be ready for shipment in the course of next week.

You have made no mention of Freight or Insurance. So, unless we hear to the contrary, we shall pay Freight and effect the insurance and debit your account. Please cable if this is in order. Code A. B. C. 5th edition.

Yours faithfully,  
National Tobacco Co. Ltd.

[Also see *Letter No. 12*]

**Letter No. 47.** Goods not in Stock. Substitutes Offered.

Calcutta, 28th October, 194 .

Messrs. Swami & Co.  
Madras.

Dear Sirs,

We thank you for your order of the 19th October for 120 yards of our "Champak" Silk.

Unfortunately our local stock of this brand is exhausted and our next consignment will not arrive before the middle of next month.

If your demand is pressing, and if you are not compelled to use the exact thing, we can supply our "Malay" brand which is nearly as good as the one you have ordered. The "Malay" brand, as the samples enclosed will show, is beautiful in both design and tint, and you will find it wear well. The price is Rs. 2/4/- per yard, less usual discount.

We hope you will let us send you this silk in place of the other brand and we are sure that you will find it satisfactory.

Yours faithfully,  
Bengal Silk Stores.

Letter No. 48. Wrong Price Stated in Order.

Calcutta, 15th November, 194 .

Messrs. Ratanlal & Co.,  
Bombay.

Dear Sirs,

We thank you for your order of the 10th November for 12 dozen "Malto" Condensed Milk.

We notice that you have ordered these at Rs. 27/- a doz., whereas the correct price should be Rs. 30/- a doz. We quoted you Rs. 27/- for orders of 20 doz. and upwards. The prices of our products are very closely calculated, and we are sorry, we cannot reduce them on small orders.

"Malto" Condensed Milk is both cheap and popular and we think you will have no difficulty in disposing of large quantities of them during the season. We suggest, therefore, that you increase your order to 20 doz.

In case you do not want to take 20 doz., please confirm your order at Rs. 30/- per doz. The goods will be sent to you as soon as we receive your reply.

Yours faithfully,  
Bengal Milk Products Co.

Letter No. 49. Requesting Extension of Period of Delivery.

Calcutta, 12th March, 194 .

Messrs. Sohanlal & Sons,  
New Delhi.

Dear Sirs,

We thank you for your order dated 7th March for 5000 *Eureka* Tin Openers. But we regret to inform you that as our factory is now chiefly employed for war pur-

poses, it will not be possible for us to deliver the tin openers within the next thirty days.

If, however, you can extend the time of delivery by six weeks, we shall be in a position to execute your order by that time. Should you be willing to meet our wishes, please confirm your order accordingly.

Yours faithfully,  
Small Industries Co. Ltd.

**Letter No. 50. Stock Exhausted.**

Calcutta, 14th March 194 .

Messrs. Dayaram & Sons,  
Patna.

Dear Sirs,

We are extremely sorry to have to inform you of our inability to execute your Order No. 352/43 dated 12th March for 100 shop-soiled Bookcases the stock of which has now been totally exhausted.

If you will please refer to our letter dated 25th February, you will find that our offer was not firm, and we emphasised on the necessity of an early reply. The response to our offer was beyond expectation and the whole lot was sold off during the first week.

We can, however, offer you our "Household" Bookcases, at Rs. 148/- per doz. less usual discount. These are made of cheap materials, but are quite durable and attractive.

Yours faithfully,  
Penman & Co.

### **Execution.**

Letters advising the execution of orders are sent with the invoices. These letters should contain—

- (1) The date of the order and the buyer's order number, if any.

- (2) The specification of the goods.
- (3) The date of dispatch and mode of carriage.
- (4) A statement of the amount of the invoice.
- (5) A reference to the mode of payment. The letter should acknowledge if payment has been received, or mention the manner in which the seller intends to cover himself.
- (6) Thanks to the customer for his order and solicitation for further orders.

When only a part of an order is executed, the letter should state clearly the reasons for it to avoid misunderstanding. It may also be noted here that in the absence of any previous arrangement, the seller should not draw upon the customer. Such a procedure may justly be resented and lead to loss and unpleasant consequences.

These points will be found embodied in the following letters.  
**Letter No. 51. Order Executed.**

Howrah, 28th August, 194 .

Messrs. Ray & Sons.  
Calcutta.

Dear Sirs,

The three Reeling Machines ordered on 15th July have been sent to-day to your address.

From the invoice enclosed you will find that the amount due to us is Rs. 350/-.

The machines were tested before delivery, and we believe you will find them quite satisfactory.

We thank you for this business and hope that you will entrust to us the manufacture of the remaining machines referred to in your letter of 15th July.

Enc. 1.

Yours faithfully,  
Fatikchand & Sons.

**Letter No. 52. Requesting Remittance.**

Bombay, 18th August, 194 .

Messrs. P. M. Das & Co.,  
Calcutta.

Dear Sirs,

We have much pleasure in sending you herewith our invoice for Cutleries dispatched today by rail in execution of your order dated 12th August.

We shall now appreciate your early remittance of Rs. 222/- being the amount of the invoice.

We trust that you will find the cutleries satisfactory and their quality will induce you to entrust us with further orders.

Yours faithfully,  
New India Stores.

Enc. 1.

**Letter No. 53. Requesting Extension of Period of Delivery.**

Calcutta, 19th August, 194 .

Messrs. Ray & Co.,  
Gauhati.

Dear Sirs,

We are extremely sorry to have to ask for an extension of time in the execution of your Order No. 326/43 dated 15th June last.

The recent strike of the cotton operatives completely disorganised our business for a time. As you know, perhaps, work has been resumed and we are making strenuous efforts to fulfil our contracts. But we are afraid that in spite of our best efforts it will not be possible for us to effect delivery on 1st September as arranged.

We are, however, confident that we will be able to effect delivery on 1st October and hope that this course will meet with your approval. We assure you that all orders will be handled in strict rotation and we shall do our best to expedite delivery.

We hope you will realise that the delay is due to circumstances beyond our control and we shall very much appreciate your allowing us this additional time.

Yours faithfully,  
New India Cotton Mills Ltd.

### Refusal.

There are occasions when an order has to be declined. This contingency may arise when a manufacturer receives an order from a retailer of a town in which an exclusive agency has been given to another retailer. In refusing such an order, the reason for refusal should be frankly stated, and an effort should be made to retain the goodwill of the customer. The situation, however, becomes delicate when an order has to be refused because the party placing the order is known to be insolvent or is otherwise undesirable. In such a case an offer may be made to sell for cash, but sometimes even that may not be considered desirable. Here some plausible pretext for declining the order should be given to avoid any unpleasantness.

Two such situations are handled in the following letters.

#### Letter No. 54. Refusal on technical ground.

Calcutta, 17th March, 194....

Messrs. N. Lal & Co.,  
Cuttack.

Dear Sirs,

We thank you for your order dated 13th March, but we are sorry to have to tell you that we are unable to accept orders for direct supply from Bihar and Orissa as we have given exclusive agency for the area to Messrs. Acharjee Brothers, Patna.

We are, however, sending your order to Messrs. Acharjee Brothers, and they will doubtless communicate with you.

We fully appreciate the interest you take in our goods and hope that it will steadily increase to our mutual advantage.

Yours faithfully,  
Mukherjee & Co.

**Letter No. 55.** Treating order from an undesirable party. .  
Calcutta, 16th June, 194....

Messrs. Soni & Co.,  
Agra,

Dear Sirs,

We thank you for your order dated 12th June.

The order has been booked for execution and we request you to send us Rs. 172-8-0 (Rupees one hundred-seventy-two and annas eight only) being the amount of your order less two per cent discount for cash.

This is in accordance with the recent policy of our firm, and we believe, you will avail yourselves of the discount offered.

On receipt of the amount, we shall be glad to dispatch your order promptly.

Yours faithfully,  
Banerjee Brothers.

### **Cancellation.**

Sometimes an order has to be cancelled. The cancellation is often due to undue delay in the execution of the order. In these cases, a simple statement of the reason for cancellation is sufficient.

The cancellation may also be due to various unforeseen circumstances, such as fall in the market price, bankruptcy of the buyer or of his customer and so forth. In such cases the following chief points should be noted—

- (1) The letter cancelling the order must state clearly the reasons for the cancellation.



- (2) The letter must reach the selling firm before the order is executed. When an order cannot be cancelled in time by a letter, it should be done by a telegram which, of course, should be confirmed.
- (3) The letter cancelling the order should hold out assurance to make good the loss of the order cancelled by future orders. In practice, when there is no chance of loss or damage, the cancellation of an order is accepted.

Letter No. 56. Cancelling Order for undue delay.

Calcutta, 20th April, 194....

Messrs. Karimbhoy & Sons,  
Bombay.

Dear Sirs,

We placed an order with you on 5th March for 200 yds. of Zebra Cotton shirting to be delivered on 5th April. But till now we have received neither the goods nor any letter from you.

The time of delivery has long expired and we are compelled to cancel the order, and should the goods arrive they will be refused.

Yours faithfully,  
Ray Brothers.

Letter No. 57. Cancelling Order. Bankruptcy of Customer.

Calcutta, 21st April, 194....

Messrs. Hiralal, Mohanlal & Co.  
Bombay.

Dear Sirs,

We placed an order with you yesterday for 500 doz. Cotton Handkerchiefs, but very much regret having had to send you the following telegram to-day—

“Cancel yesterdays order for cotton handkerchiefs.”  
This we have been compelled to do as we are informed that our customer for whom the articles were intended has gone bankrupt this day.

We shall be glad if you will stop sending the goods, and we assure you that we shall not fail to make good to you the loss of this order in a month's time.

Yours faithfully,  
Kamala Stores Ltd.

Letter No. 58. Cancelling Order.

Calcutta, 15th September, 194....

Punjab Trading Co.,  
Ludhiana.

Dear Sirs,

We placed an order with your traveller, Mr. Mehta, on 10th September for 15 doz. All-wool Pullovers, to be delivered on 10th November. But we are extremely sorry to have to request you now to treat the order as cancelled.

We have just purchased the bankruptcy stock of a local dealer at an extremely low price and our requirements of pullovers are now fully covered for this season.

In order to indemnify you for the loss of this order, we now ask you to send us as early as you can, 12 (twelve) doz. Mufflers, standard size, all-wool, assorted colour, price not to exceed Rs. 42/- per doz., terms as usual.

Yours faithfully,  
Nandy Brothers.

### EXERCISES ON CHAPTER XVII

1. Write a letter to Mehra & Bros., Allahabad, intimating despatch of certain goods and advising them that you have drawn on them for the value of goods through Punjab National Bank. (*G.C.I., 1944*).
2. The Pioneer Stores Ltd., express regret at being out of stock of a particular brand of shirting. They expect fresh supply within a month. But if the customer cannot wait so long, they can supply as substitute another brand (sample enclosed), cheaper and slightly inferior in quality. Draft the letter.
3. Reply stating that you prefer to wait for the original material; but to meet the immediate requirement of your customers, you place an order for 200 yards of the substitute.
4. Advise Messrs Sen & Co., of the execution of their first order after a long interval and express the hope that this will lead to a more enduring connection than before.

5. National Nutriment Co. Ltd., Calcutta advise Messrs Ray & Sons the execution of their order for 25,000/ 1 lb. tins of "Lacto" Condensed Milk and express the hope that they will be entrusted with a standing contract. Draft the letter.
6. You are unable to execute an order by the due date. Write a letter to your customer expressing regret and explaining why the delay is unavoidable. Ask for an extension of 7 days time.
7. You have received an order for "Crown" Varnish which you no longer stock. Thank your customer for his appreciation of this brand and point out why you no longer stock it. Try to interest him in "Sunshine" Varnish which you stock at present.
8. Modern Furnishers Ltd. express their regret at being unable to supply the Folding Chairs ordered by Das & Co. They add that the offer was firm for 7 days only and the goods were sold immediately after the expiration of the offer. Draft the letter and offer substitutes.
9. Mulchand & Co., Bombay cancel their order for 6 doz. Mirzapur Woollen Carpets given two days earlier to Jankidas & Co., Allahabad, since they have learnt in the meantime that the customer for whom these carpets were ordered has gone bankrupt.
10. Jankidas & Co. regret the cancellation of the order and express the hope that other orders will follow.

## CHAPTER XVIII

### RECEIPT OF GOODS AND MAKING PAYMENT: CHEQUES AND BILLS OF EXCHANGE

When the buyer receives the goods ordered, he acknowledges their receipt. This, however, is not necessary where the goods are sent with a delivery note.

The mode of payment has already been arranged between the buyer and the seller. Different arrangements are possible, such as prompt cash, credit for a certain period, against acceptance etc.

In practice, payments are seldom made in cash, and by far the greatest volume of business is done on credit. Even when immediate payment is necessary, it is made by cheque; in other cases the seller covers himself by drawing a bill of exchange on the buyer (*i.e.* the debtor).

Cheques and Bills of Exchange are the two most popular ways of settling commercial debts. But whereas a cheque is generally confined to inland trade, the bill of exchange is used for both,—inland and foreign. We give below a general idea of these two instruments to enable students to draft letters concerning remittance.

### The Bill of Exchange.

The definition of a Bill of Exchange, as given by the Negotiable Instruments Act, 1882, is as follows—

A Bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to or to the order of, a certain person, or to bearer of the instrument.

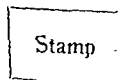
Thus, the essential elements of a valid bill are—

- (a) an unconditional order in writing,
- (b) to pay (on demand or at a fixed or determinable time)
- (c) a certain sum,
- (d) to a certain person, or to his order or to the bearer of instrument.

A Bill of Exchange is drawn as follows—

• Calcutta, 15th July, 1942.

Rs. 2050/-



Three months after date pay to my order the sum of  
Two Thousand and Fifty Rupees value received.

B. N. Sen.

To Messrs. Goenka & Co.,  
Delhi.

In the above example, B. N. Sen is the *drawer* of the bill; Messrs. Goenka & Co., to whom it is addressed, are the *drawees*, and when they accept the bill they are called acceptors. The person to whom or to whose order the money is payable is called the *payee*. In this example the Drawer and the Payee are identical.

The duration of a bill (3 months in the above example) is called the *tenor*, *currency* or *period* of the bill.

Let us now consider how a Bill of Exchange functions. Take the bill cited above. Mr. B. N. Sen supplied goods worth Rs. 2,050/- to Messrs. Goenka & Co., according to previous arrangement, Mr. Sen now draws this bill and sends it to the drawees, with instructions to accept the bill and return it. Messrs. Goenka & Co., find it in order and accept it by writing the word *accepted* and signing their name with or without restrictive words across the face of the bill or merely by signing their name. The bill then becomes an *Acceptance* and is returned to Mr. B. N. Sen. Mr. Sen can now hold it till maturity and enforce payment on the due date, or transfer it to a creditor or discount it, usually with a banker. To discount an acceptance is to sell it for a price less than its face value. Sometimes the acceptor of a bill retires it, *i.e.* pays it before the due date to avail himself of the discount. In such a case, he is entitled to demand the return of the bill and can re-issue it.

A Bill of Exchange payable at sight or on demand is due immediately and may be presented at any time. But in the case of other bills, three days of grace are allowed for payment. Thus the time of payment is found by adding three days to the period set for payment of the bill.

The drawee is under no liability whatever upon a bill drawn upon him so long as he has not accepted it, for any one may draw a bill. His liability begins with his acceptance. If the bill is dishonoured, the acceptor of the bill is primarily responsible, the drawer is next liable, then each indorser in the order in which he indorsed.

When a bill is dishonoured (*i.e.* acceptance or payment is refused) the holder of the bill gives a notice of the dishonour to all other parties whom he seeks to make liable. Besides, he will have the fact of dishonour noted down by a notary public who is a person appointed by provincial governments. The notary public notes down (a) the fact of dishonour, (b) the date of dishonour, (c) the reason for it and the reference to the

notary's register. After noting the dishonour of a bill as above, the holder may obtain a certificate from the notary public. This certificate is called the protest.

To ensure the honouring of a bill of exchange, the drawer or one of the endorsers writes the words "in case of need" on the face of the bill and refers to a person or firm residing at the place of payment of the bill who is prepared to accept or pay the bill in case of refusal to do so by the drawee. In such cases the permission of the "drawee in case of need" is previously obtained and he is informed whenever his name is thus used.

### Cheques.

A Cheque is defined by the Negotiable Instruments Act as "a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand." A cheque does not require any acceptance. "The relationship between a banker and his customer is that of a debtor and creditor, the banker contracting to pay back on demand the sum he owes the customer, and to honour his customer's cheques as long as he is debtor and to the full extent of his indebtedness."

A Cheque may be—

- (a) *Blank*, i.e. one in which the particulars *viz.* amount, payee; etc. are not stated. Blank cheques are very rarely given and for obvious reasons.
- (b) *Open*, i.e. one made payable to bearer or order and can be cashed on presentation at the Bank's counter. A cheque made payable to order will require indorsement before payment.
- (c) *Crossed*, i.e. one having two parallel traverse lines drawn across its face with or without the words "and company" or its abbreviation between the lines. Payment of a crossed cheque can be had only through a bank. A cheque may be crossed by the drawer or by the holder.

In drawing a cheque, care should be taken to write the name of payee clearly and distinctly, and it is advisable not to leave any blank space. The amount in words and figures should

commence as near the left hand margin as possible and no blank space should be left, in order to preclude any chance of interpolation. The amount in words and figures must correspond; the amount in words is held legally to be the sum payable, the figures serve only to facilitate reference. The indorsements must correspond in every respect with the name of the payee. A cheque drawn payable to B. Ray cannot be paid on the indorsement B. Roy. If the payee is in the habit of signing his name as B. Roy, he should first indorse the cheque as B. Ray and then write B. Roy.

So much for cheques and bills of exchange. We shall now resume letters in which these will have to be handled.

Letter No. 59. Goods Received. Remittance by Cheque.

Calcutta, 24th August, 194....

New India Stores,  
Bombay.

Dear Sirs,

The cutleries invoiced by on 18th August have now safely arrived, and are satisfactory.

In settlement of the amount of your invoice, we enclose cheque for Rs. 222/- (Rupees Two hundred and twenty-two only) and shall be glad if you will acknowledge its receipt and credit us with the amount.

Yours faithfully,  
P. M. Das & Co.

Enc. 1.

Letter No. 60. Acknowledgment of Remittance.

Bombay, 29th August, 194....

Messrs. P. M. Das & Co.,  
Calcutta.

Dear Sirs,

We thank you for your letter of 24th August, enclosing cheque, value Rs. 222/-. This amount will be passed to your credit in settlement of your account.

We are glad to note that you found our cutleries satisfactory and hope that you will let us know when you are in the market for more.

Yours faithfully,  
New India Stores.

Letter No. 61. Acknowledgment of Sight Draft.

Calcutta, 14th July, 194....

Messrs. Abdul Kassem & Sons,  
Nagpur.

Dear Sirs,

We thank you for your letter of 9th July enclosing a sight draft, value Rs. 215/-. This amount, with 5 p.c. discount, will be passed to your credit.

We trust you will let us know when you are again in need of electric goods.

Yours faithfully,  
R. K. Das & Co.

Letter No. 62. Enclosing Bill for Acceptance.

Howrah, 1st September, 194....

Messrs. Ray & Sons,  
Calcutta.

Dear Sirs,

According to our agreement, we have this day drawn upon you for Rs. 350/- at 3 months in settlement of the amount of our invoice dated 28th August last.

Please accept the bill enclosed and return it.

Yours faithfully,  
Fatikchand & Sons.

Enc. 1.

Letter No. 63. Draft Accepted.

Calcutta, 2nd September, 194....

Messrs. Fatikchand & Sons,  
Howrah.

Dear Sirs,

We thank you for your letter dated 1st September, enclosing draft for Rs. 350/-.



We enclose your draft, accepted by us, payable at Bengal Central Bank on 3rd December, and we shall not fail to honour it in due course.

Yours faithfully,  
Ray & Sons.

Enc. 1.

Letter No. 64. Advice of Bill Drawn.

Calcutta, 5th October, 194....

Oriental Trading Co.,  
Bombay.

Dear Sirs,

We enclose a statement of account made up to 31st September last, amounting to Rs. 231-12-0, which we trust you will find correct. As usual, we have drawn upon you for the amount at 30 days through the Bank of India Ltd., and should be glad if you would accord our draft due protection.

Yours faithfully,  
Bengal Trading Co.

Letter No. 65. Enclosing cheque on a/c of Bill and requesting Renewal of Balance.

Calcutta, 25th November, 194....

Messrs. Fatikchand & Sons,  
Howrah.

Dear Sirs,

We are extremely sorry to have to tell you that we are unable to meet in full our acceptance No. 1756 which falls due on 3rd December. We enclose a cheque for Rs. 150/- and shall be very grateful if you will renew balance at one month with interest at  $7\frac{1}{2}$  per cent.

We hope you will appreciate our temporary difficulty and will not fail to accommodate us.

Yours faithfully,  
Roy & Sons.

Letter No. 66. Advice of Remittance through another firm.

Calcutta, 20th November, 194....

Messrs. Birla & Sons,  
Bombay.

Dear Sirs,

We have instructed to-day Messrs. Mookerjee & Co. to remit you a cheque to settle your account of Rs. 175-10-0 made up to 31st October, as detailed below—

5th October, Goods	Rs. 91-12-6
23rd October, Goods	Rs. 83-13-6

---

175-10-0

Less 2½ per cent discount      4 -6-3

---

Rs. 171- 3-9

Please send us a duplicate copy of receipt.

Yours faithfully,  
Brahma & Co.

Letter No. 67. Acknowledgment of Remittance. Prices wrongly calculated.

Calcutta, 28th November, 194....

Messrs. Gayaram & Co.,  
Allahabad.

Dear Sirs,

We thank you for your cheque for Rs. 136-8-0 sent in payment of our statement of October last.

We find that you have deducted Rs. 3-8-0 from the amount of the invoice. This is the 2½ per cent cash discount which is allowed only when payment is received within 21 days.

We want to be fair to all customers, and allowing an erroneous discount to one would be an injustice to all others who adhere to our terms.

We are confident you will appreciate our view-point and co-operate with us in adjusting this small amount.

Yours faithfully,  
Chatterjee Brothers.

[Note—An invoice for the deducted amount should be enclosed].

Letter No. 68. Resenting Overdrawing without advice.

Calcutta, 14th July, 194....

South India Trading Co.,  
Madras.

Dear Sirs,

Very much to our surprise, a sight draft for Rs. 256-8-0 drawn by you was presented to us through the Central Bank of India. We first thought of refusing payment as we had received no advice, but in view of our long connection we were loath to do so, and the bill was paid.

We consider it against business traditions that you should draw on us without advice. Further, your credit up to 30th June last (for which you are entitled to draw) amounts to Rs. 124-8-0, the balance of your credit Rs. 132-0-0 will become due in October. We feel bound to say that should you in future draw upon us in this way—without title and without advice—we shall certainly refuse payment.

We shall be glad if you will explain the irregularity, and credit us with Rs. 2-1-0 being 3 months' interest at  $6\frac{1}{4}$  per cent on Rs. 132-0-0, which in the ordinary course would not have been paid till October.

Yours faithfully,  
Mitra Brothers.

Letter No. 69. Asking Permission for use of Firm Name in case of need.

Calcutta, 20th July, 194....

Messrs. Goenka & Co.,  
Bombay.

Dear Sirs,

Will you please let us know whether you would permit us to mention your firm in case of need on our bill for

Rs. 135-10-0 per 4th September, on Mohanlal & Co., Ltd., Bombay.

Should your intervention become necessary, we would immediately provide you with security.

We need hardly assure you that we shall always be ready to reciprocate the favour.

Yours faithfully,  
Ghosh & Sons.

Letter No. 70. Reply Consenting.

Bombay, 25th July, 194....

Messrs. Ghosh & Sons,  
Calcutta.

Dear Sirs,

We have your letter dated 20th July. We are quite willing to allow you to use our firm name on your draft for Rs. 135-10-0 per 4th September, on Mohanlal & Co., Ltd., Bombay, in case of need.

Should the necessity arise, we shall protect the draft for your account.

Yours faithfully,  
Goenka & Co.

### EXERCISES ON CHAPTER XVIII

1. Write a letter for Mehra & Bros., Allahabad, acknowledging receipt of a consignment in good condition, and undertaking to honour the draft when it is presented for acceptance.
2. Messrs Ray & Sons, Calcutta, have accepted a bill drawn on them at 30 d/s by their suppliers, New Trading Co., Bombay, although the arrangement was at 90 d/s. Write a letter from Messrs Ray & Sons to their suppliers pointing out the discrepancy and asking them to prevent its recurrence in future.
3. Write as from New Trading Co., Bombay, apologising for the mistake, and stating that the interest for 60 days has been credited to Messrs Ray & Sons' account and will be deducted from the next bill drawn.
4. A customer who is becoming increasingly irregular in his payments has requested you to renew a bill. Draft a reply pleading inability.

5. Mulji & Co., Bombay have lost a bill for Rs. 1,500/- drawn by Messrs Kasinath & Sons and accepted by Misra & Co., Agra. They believe that it has been destroyed and request Misra & Co. for a new bill to be drawn and accepted by them. They offer their apologies for the unfortunate incident.
6. Misra & Co. reply stating that they are prepared to accept a copy provided they are indemnified by Mulji & Co. against liability on the original.
7. (i) Write an advertisement by a private gentleman stating that he has for sale a six-volume edition of Shakespeare, newly edited by a board of Oxford scholars; and forward it with a covering letter to a daily newspaper.  
(ii) Write a letter making an offer in response to the advertisement.  
(iii) Write a letter in answer to (ii).  
(iv) Write a letter from the purchaser, enclosing the cheque. Draw out the cheque. (C. U. 1947).
8. Draft the following communications:— (C.U. 1949)
  - (i) On the 5th January, Geo. Penny and Co. acknowledge the receipt of a consignment from the British Lino Works at Runcorn. They state that they have credited them with the amount of the invoice for which they will send them a bill of exchange within a few days, deducting a discount of  $1\frac{1}{2}\%$ .
  - (ii) The bill of exchange is transmitted on the 10th January with a covering letter.
  - (iii) Receipt of the bill of exchange is acknowledged.

## CHAPTER XIX

### CLAIMS, COMPLAINTS AND ADJUSTMENTS

Errors will often occur even in the best managed business. No system has yet been devised that is infallible. Nor shall any be devised for the very simple reason that all systems are worked by human beings who are themselves fallible. Despite all our precautions and with the best will in the world to satisfy our customers, we shall sometimes fail to satisfy. The large volume of orders now-a-days increase the chance of errors. The vagaries of weather and the niggardliness of Nature may sometimes make it impossible for us to fulfil our obligations. So, every business man knows it well enough that complaints will be made.

#### The Letter of Complaint.

It is often supposed that the making of complaints requires no special care. This idea is very far from the truth and is responsible for many a tactless letter of complaint.

Making a complaint is obviously an unpleasant business. The customer is annoyed, dissatisfied, or inconvenienced, and sends out a letter which is very often tactless and discourteous and expresses the resentment he feels. Such a letter does more harm than good.

The Letter of Complaint has a definite service to perform. It must help to adjust an error. Something has gone wrong somewhere in a transaction. The letter of complaint must help to set the thing aright. It must, therefore, be both diplomatic and persuasive. For, as soon as the letter will be received the reader will be on the defensive. His tendency will be to defend his position and resent the accusation that he is at fault.

It is important, then, that the letter of complaint should be carefully drafted. The chief characteristics of a well-drafted complaint may be stated as follows—

- (1) The letter must be fair and temperate. We should take up the attitude that the cause of complaint has arisen much against the will of our correspondent; that he will be eager to adjust what is wrong and will be grateful to us for telling him what is amiss. The letter need not be apologetic. It is advisable however that the letter should show that the writer is sorry to have to make the complaint, but the trouble is too serious to be overlooked.
- (2) The letter should state facts only without any imputation. It should record impersonally what has happened and withhold judgment. It should never find fault with a particular individual or firm nor imply bad faith by hinting that the firm is knowingly trying to defraud the customer.
- (3) The letter must be courteous. A courteous letter will prove more effective than the letter breathing fury and threats. If our letter is friendly and courteous, it will win the co-operation of our reader. A letter full of threats cannot be expected to do so. Nothing is gained by sarcasm or recriminations, but much is lost.
- (4) The letter must be complete, *i.e.*, it must supply all the details that may be necessary to adjust what is wrong. It is certainly the obligation of the writer to state clearly the nature of the complaint and to supply details that may enable the correspondent to locate the transaction and understand what is amiss. Yet, in most complaints, written in a fit of anger, just these details are wanting. Complaints that are vague can hardly be adjusted. Whenever a complaint has to be made, the matter must be investigated in detail, and all relevant particulars should be stated in the letter. The date of the original transaction, the order number or the invoice number, a list or description of goods,—these are some such details. Unless these details are given, the adjustment is likely to be delayed or inadequate.

- (5) The letter should make a definite and reasonable request for redress. Firms of standing will generally be found willing to do this. Sometimes the complaint is not against any definite unsatisfactory service but a general condition which, in the opinion of the writer, needs correction. Even here the letter should make a concrete suggestion.
- (6) The appeal of the letter may be strengthened by a reference to the inconvenience suffered by the customer by reason of the error, but the statement should be brief.

We shall now examine a few tactless letters of complaint and point out their defects.

Dear Sirs,

What have you done with my order? If you cannot send the books within this week, treat the order as cancelled. There are many book-sellers who will be glad to execute it.

Yours faithfully,

Obviously, the customer is very much annoyed at not receiving the books for which he had placed an order sometime ago. But that is no justification why the letter should be so drafted. The letter assumes that the bookseller has been wilfully postponing the execution of the order, whereas there may be quite a good explanation for it. The letter might have been mislaid. After posting the letter of complaint the customer may receive his original letter sent to him from the Dead Letter Office as it was wrongly addressed. Pity he cannot recall his complaint now! The complaint is incomplete; it supplies no details by which the order may be traced or the books sent. So, the complaint serves no purpose except creating a bitterness of feelings.

Or, take the following letter—

Dear Sirs,

A fine way you have of doing business. You promised delivery on the 1st August, and even after one month from the date we are without the goods. Why don't you give u



your factory and buy the small smithy that is for sale next door? That will be within your organising ability.

Yours faithfully,

This letter like the previous one, will do more harm than good. It can serve no useful purpose. Indulgence in such sarcasms will only liquidate the goodwill built by years of toil and thought.

The above letters illustrate extreme cases. The following is quite a common one—

Dear Sirs,

Your bill came this morning. The bill includes a balance of previous month, although I paid last month's bill in full. Such carelessness on the part of your accountant is extremely annoying. Would you, therefore, look into the matter without delay and make an adjustment, because I don't like this kind of treatment from a firm of your standing.

Yours faithfully,

This letter is neither fair nor courteous. It is incomplete. It imputes fault to the accountant. Such a letter will naturally be resented by the recipient and this would make adjustment difficult.

The following letters illustrate the principles of a good complaint.

Letter No. 71. Complaint. Delay in Delivery.

Calcutta, 26th December, 194....

Messrs. Cooper & Co.,  
Bombay.

Dear Sirs,

I placed an order for a few books on 10th December, but I regret that I have not received them as yet. In case the letter has been mislaid, I enclose a duplicate copy of the list of books, and request you to send them by return per V. P. Post.

The books are required for New Year's Day presents, and I shall appreciate your prompt attention in the matter.

Enc. 1.

Yours faithfully,

Letter No. 72. Complaint. Delay in Delivery.

Calcutta, 14th September, 194....

Messrs. N. L. Sarogi & Co.,

Dear Sirs,

We regret to have to tell you that although you acknowledged our Order dated 14th August, the goods have not reached us yet. This is causing us considerable inconvenience and threatens the loss of one of our best customers for whom they are intended.

You will please remember that the order was placed with you on your explicit undertaking to deliver the goods on or before 10th September, and you will understand that your delay in the circumstances gives us a right to sue you for damages. We are unwilling, however, to exercise this right and are prepared to wait till 25th September.

We trust you will make every effort to prevent our taking a step which will be unwelcome to us as well as to you.

Yours faithfully,  
Mukherjee Brothers.

Letter No. 73. Complaint—Defective Goods.

Calcutta, 24th August, 194....

New India Stores,  
Hornby Road,  
Bombay.

Dear Sirs,

We thank you for the prompt execution of our order dated 12th August.

We regret, however, to tell you that the 4 doz. Knives and Forks with horn handles are all defective. These are somewhat loose in the handles and can be easily pulled out.

We are, therefore, returning these defective goods to-day by post and shall appreciate your substituting better ones as early as possible.

Yours faithfully,  
P. M. Das & Sons.

Letter No. 74. Complaint—Defective Goods.

Burdwan, 23rd June, 194....

Bengal Biscuit Co.,  
Calcutta.

Dear Sirs,

Ref. your Order No. 342/5 dated 12th June, 194...

We are sorry to have to tell you that yesterday one of our customers returned to us three 2 lb. tins of Cream Cracker Biscuits. The contents, in these cases, owing to leakage of the tins, had become quite unfit for consumption.

This is really an unfortunate occurrence in a trial order. However, we hope that it will not occur again and suggest that you give us credit for their value, *viz.* Rs. 17/8/-, which may be deducted from our future payments to you.

Yours faithfully,  
Udayan Stores.

Letter No. 75. Complaint—Inferior Quality.

Calcutta, 5th October, 194....

The Sunshine Paint Works,  
Howrah.

Dear Sirs,

We thank you for your prompt dispatch of Varnish ordered by us on the 2nd October, but regret to tell you that the quality of this consignment does not tally with that of the previous one dated 10th August last.

The varnish you have supplied this time is rather too thick which renders its use disadvantageous and less economical.

We are prepared, however, to retain the goods, on condition that an allowance of 5% is made in the price;

failing that, the goods will be held at your disposal pending your instructions as to how they should be returned.

Yours faithfully,  
Dutt & Company.

**Letter No. 76. Complaint—Shortage in weight.**

Calcutta, 12th November, 194....

The Pioneer Milk Products Co.,  
Patna.

Dear Sirs,

We received yesterday your consignment of clarified butter and are glad to note that the quality is quite satisfactory.

We regret, however, to tell you that when the consignment arrived, it was found short in weight by 15 seers.

As the deficiency is too heavy to be overlooked, we must request you to send us a credit note for Rs. 47-8-0, being the value of the loss.

Yours faithfully,  
Radhikananda & Sons.

**Letter No. 77. Complaint—Inferior Quality.**

Calcutta, 17th April, 194....

Messrs. Manuklal & Co.,  
Ludhiana.

Dear Sirs,

We regret to note that the kid-gloves supplied by you on 20th December last seem to have been of inferior quality. We received several complaints from our customers that the gloves soon developed spots, and on inspecting the twelve pairs that we have still in stock we find that 10 pairs manifest dark spots which render them unmarketable.

It is disappointing that the gloves have proved so unsatisfactory and this has placed us in an awkward position.

We should be glad to know what you intend to do in the matter.

Yours faithfully,  
Chakravarti & Sons.

Letter No. 78. Complaint—Discourtesy of an Employee.

Calcutta, 10th July, 194.

Messrs. Das & Co.,  
Watch Dealers,  
Calcutta.

Dear Sirs,

I got my watch repaired from your firm on the 8th July, and yesterday I noticed that the hands were not correctly set, so that when the hour-hand pointed to 8, the minute-hand was 2 minutes behind 12. I went to your firm yesterday and asked your repairer to adjust the hands. He carefully looked into the watch and remarked that the slight discrepancy did not matter. When I told him that it did matter and insisted on having it corrected, he was very discourteous.

However, he then opened the watch and set the hands properly.

I have been dealing with your firm for the last ten years and I know that such actions are against your business policy. So, I felt, you would like to know of it so that you could endeavour to prevent a recurrence.

Yours faithfully  
N. C. Banerjee

### The Adjustment Letter.

The adjustment letter is a very delicate piece of composition. Some complaints are quite justified, some altogether uncalled for, some made in a tolerant spirit, others with bear-like ferocity. The able business man will deal with them in such a way that his business relations may become the more cordial through their arising. How can he effect this?

One may be inclined to consider a complaint letter a nuisance. But in reality it may be a blessing in disguise. It is often a valuable index of the service we render and the manner in which it is received by the public. Besides, it offers us an opportunity to build goodwill and thus expand business. Is it not, then, far better to have our customer become angry and express himself in a strong letter than to have him desert us without giving us any reason? It must be remembered that the dissatisfied customer who goes about telling his friends that such a store is a poor place for buying anything is a real liability. If instead of that he write to the store stating his grievances, the firm gets an opportunity to convert a potential liability into a satisfied patron.

The main object of the adjustment letter is not to answer the complaint, but to settle the trouble on a mutually satisfactory basis. The customer must be satisfied. To correct what is amiss may often be relatively easy; the hard task is to resell confidence in the firm.

The adjustment letter reflects the company's attitude towards claims. There are three different attitudes that the company may assume, *e.g.*:

- (a) The customer is always right.
- (b) Grant adjustment where the claim is just.
- (c) *Caveat emptor*. "Let the buyer beware."

It has often been said that "the customer is always right" is the proper attitude to assume in the adjustment letter. The exponents of this view admit that the customer is not always right, but hold that the goodwill created by this attitude is worth far more than the inevitable losses through unfair customers. We regard the maxim, however, as only a working guide to the type of shop assistant or clerk who cannot be trusted to uphold the dignity of the firm without offending the customer. The principal of a firm should not bind himself by such a maxim, but use his discretion in judging whether the customer is right or wrong in a complaint. No doubt, the customer, in all circumstances, has to be satisfied and turned into a well wisher. But this

should be done without sacrificing the dignity of the firm, without servility and without sacrificing one's sense of right to mere expediency. As regards the third alternative, it is quite unfair, and no respectable firm can afford to adopt such a policy.

The following are the chief characteristics of a good adjustment letter—

- (1) It must be prompt. The first essential in an adjustment letter is that it must be prompt. Delay in replying to a complaint will make the angry man still more angry. Sometimes an investigation may be necessary before any adjustment may be made. Even then the complaint should be immediately acknowledged with a promise of an adjustment to follow as soon as possible.
- (2) It must be positive. Sometimes it is found that the correspondent devotes the major portion of the letter in justifying his action and then passes over lightly what he is willing to do to the customer. This deprives the correspondent of the bonus of goodwill. Such a letter will not fully satisfy the customer. The adjustment should be made ungrudgingly and without reserve.
- (3) It must be sincere. The letter should express the sincerity of the writer. Overstatement of grief at the inconvenience of the customer or dwelling too much on the generosity of the adjustment will equally render the letter insincere. All effusiveness should be avoided. Nor should the letter promise "that it will not happen again." That will not inspire confidence. Mistakes are inevitable. The letter should rather say "that every endeavour will be made in handling future orders to prevent a recurrence of the difficulty."
- (4) It must be tactful. Adjustment letters call for tact. The customer who has sent the complaint is already hostile. The letter should, therefore, start, whenever possible, with a point of mutual agreement (See No. 85). When that is not possible the letter may begin with some idea

which is not an immediate point of contention or thanking the customer for calling attention to the error and giving the firm an opportunity to adjust. It may also open with an apology, or when an apology is unnecessary, expression of regret. The letter has to explain the error of which the customer complains. Here the writer must tactfully avoid argument. Great tact is necessary when the customer is at fault and the concession asked for cannot be granted. The adjustment letter should never try to compel a customer to admit his fault; he should always be given the chance to save his face. One cannot be argued into reasonableness. The letter should point out the reasonableness of the adjustment offered, not the unreasonableness of the customer's demand.

- (5) It must be sympathetic. The customer should be made to feel that the firm fully understands his difficulty and is trying to accommodate him. When the firm shows such an attitude, the customer can hardly remain entirely hostile. A sympathetic letter will often arouse in the mind of the hostile reader a desire to co-operate with the firm.
- (6) It must be courteous. This requires special mention because the writer of an adjustment letter may often feel tempted to be angry at unreasonable complaints. Sometimes he may even have reason to suspect the fairness of the customer's claims. But the letter should never imply bad faith on the part of the customer. All words and expressions that are likely to offend the reader should be carefully avoided. At the same time, the letter should avoid blaming individuals of the firm in explaining the error. It is quite likely that the carelessness of an employee gave rise to the error. But no respectable firm should shift the blame to the employee. We give below a list of words and expressions that are likely to offend the reader and should not, therefore, appear in the adjustment letter—



Arbitrary  
Bad  
Complaint  
Incorrect  
Injustice  
Unreasonable  
Untrue  
Worthless  
Wrong  
Your error/oversight/claim  
You say/claim

The following letters may serve as examples—

**Letter No. 79.** Reply Explaining Delay In Delivery.

Lahore, 16th September, 194....

Messrs. Mukherjee Brothers,  
Calcutta.

Dear Sirs,

We thank you for your letter of the 14th September.  
We wired to you this morning as follows—

“Goods dispatched yesterday Regret delay,” which we now confirm.

We are sincerely sorry for the delay and can assure you that we did our utmost to expedite delivery. The sudden breakdown of our machinery on 22nd August last put us into great difficulties and though we hoped every moment to get the machines in working order again, work could not be resumed till after seven days from the date. This proved a serious handicap, and although our people worked overtime, it was not possible for us to deliver your goods in time.

We fully appreciate the indulgence you have shown us in extending the date of delivery to 25th September, and hope that you will accept our apologies for the delay and

continue the same friendly relationship with our firm which existed in the past.

Yours faithfully,  
N. L. Sarogi & Co.

**Letter No. 80. Replacing Faulty Goods.**

Bombay, 29th August, 194....

Messrs. P. M. Das & Sons,  
Calcutta.

Dear Sirs,

We have your letter of the 24th August and learn with regret that 4 doz. knives and forks sent by us have been found somewhat loose in the handles.

We are sending to-day by post better substitutes which, we believe, will be found quite satisfactory.

It is our practice to examine goods before they are dispatched. Still such defects occur sometimes owing to the texture of the horn, and the least we can do is to adjust matters to the satisfaction of our customers.

We thank you for giving us this opportunity to set things right and hope to be excused for any inconvenience the defect might have occasioned you.

Yours faithfully,  
New India Stores.

**Letter No. 81. Granting Claim.**

Calcutta, 25th June, 194....

Udayan Stores,  
Burdwan.

Dear Sirs,

We thank you for your letter of the 23rd June, and very much regret that three tins of biscuits in our trial order were found defective.

As requested, we have credited you to-day with Rs. 17/8/- and sincerely hope that you did not incur any disagreeable consequences because of the unfortunate error.

We assure you that we are taking every precaution and it seems unlikely that such things would occur again.

Yours faithfully,  
Bengal Biscuit Co.

Letter No. 82. Offering Allowance.

Howrah, 6th October, 194....

Messrs. Dutt & Company,  
Calcutta.

Dear Sirs,

We have your letter dated yesterday and note with regret that you are dissatisfied with the condition of varnish sent by us.

The thickness of the varnish is due to the fact that it was in stock for sometime. The defect, however, can be easily removed by slightly heating it before use. This would liquify the varnish and restore it to its original condition.

On receipt of your letter we examined a sample from the same stock, and excepting the thickness which can be remedied, no defect was found. This, you will agree, can hardly constitute our liability in the matter.

In view of our long connection, however, we are willing to make an allowance of 2% beyond which our margin of profit does not allow.

Yours faithfully,  
The Sunshine Paint Works

Letter No. 83. Repudiating Liability.

Ludhiana, 21st April, 194....

Messrs. Chakravarti & Sons,  
Calcutta.

Dear Sirs,

We are very sorry to learn from your letter of the 17th April that some of the kid-gloves supplied by us in December last have developed spots.

If you had told us of any fault when the goods reached you, we would have been only too glad to replace them or receive them back for full value. As it is, we plead our inability to do either, and this in the interest of our customers.

The gloves supplied to you were all first grade, and the spots, we are afraid, are due to atmospheric conditions. We think, we can give you a suggestion towards avoiding this trouble in future. Lack of ventilation is very often responsible for creating this trouble. It is not enough to keep the gloves in a fairly warm room: the boxes containing them should be kept in fixtures away from any outer wall to enable air to pass round them. Gloves require also to be frequently taken out and aired. The substitution of electric light for gas has also sometimes caused the trouble.

We realise your difficulty, but we know of no remedy of removing the spots. We suggest that you get the gloves dyed black and rewelted, and if necessary, retaped and rebuttoned also. We shall be glad to treat your stock in this way at a special rate of Rs. 6/- per doz. for dying and rewelting, and Rs. 2/4/- per doz. for retaping and rebuttoning.

Yours faithfully,  
Manuklal & Co.

Letter No. 84. Reply—Incivility of Employee.

Calcutta, 11th July, 194....

N. C. Banerjee, Esqr.,  
Calcutta.

Dear Sir,

We are extremely sorry to learn of the discourtesy of one of our employees and we appreciate that you would not have written to us unless you had a very real ground for it.

We asked Mr. Sarkar, who attended to you yesterday. From his version it appears that he was very worried on th

occasion and words slipped out for which he repented afterwards.

Your co-operation in telling us of the incident has been of real value. May we offer our own sincere apology and hope to enjoy your sympathy and confidence as before?

Yours faithfully,  
R. Das & Co.

**Letter No. 85.** Reply to Complaint of Damaged Goods.

Calcutta, 12th April, 194....

Messrs. Basu & Co.  
Bombay.

Dear Sirs,

We are as anxious as you are to have our goods reach our customers in good condition; so we are glad you told us of the condition of arrival of the goods we sent you on 3rd April.

We realise this must have caused you serious inconvenience and so we have dispatched to-day per Railway a duplicate parcel which would reach you soon.

Please return to us the original parcel, carriage forward, unless you prefer to retain it at a discount of additional 5%. The articles are good sellers and it may be profitable for you to keep both the parcels.

Please accept our sincere regret for the inconvenience and inform us what you decide regarding the original parcel.

Yours faithfully,  
Chatterjee & Company.

### **Adjustment in Anticipation.**

Sometimes it may be possible for us to anticipate customer's complaints and prevent their arising. There is a strike of our mill hands. We find that this will make it impossible for us to fulfil our contracts. We should at once write to those whose orders we shall not be able to execute in time. Such a situation is handled in *Letter No. 53*.

### Inviting Complaints.

As pointed out above, the keen business man uses complaints to his advantage by reselling confidence in his firm. Of course, there are people who find fault from habit. Nothing can satisfy them, and their complaints are hardly of any use to the business man. But there are many others who never make complaints. You sold a camera to Mr. Bose. Mr. Bose does not find it quite satisfactory. He just puts it away and buys another elsewhere. The number of such customers is by no means small. To win over these customers, businesses sometimes invite criticism. Letters are sent out to customers asking them to give their opinion about the article sold or service rendered. The following letters are meant for this purpose.

#### Letter No. 86. Inviting criticism.

Calcutta, 20th May, 194

B. L. Khemka, Esq.,  
Patna.

Dear Sir,

In April last, we sold you one of our "Pioneer" Carpet Sweepers. Our carpet sweepers are guaranteed to give full satisfaction and they are all tested before they leave our hands. We hope, therefore, that your carpet sweeper is rendering you satisfactory service.

We should be glad, however, to have you fill in an return to us the enclosed blank. That will give us the detail of the working of your carpet sweeper.

Yours faithfully,  
The Pioneer Machine Co.

Letter No. 87. The same.

Calcutta, 20th May, 194 .

Messrs. Tandon & Co.  
Gaya.

Dear Sirs,

We note with regret that you have not entrusted us with any business since January last. Naturally we are wondering what the cause may be.

If there is anything unsatisfactory about the last order, will you not let us know? Surely, we want your future business and cannot allow a past transaction to remain in any way unsatisfactory to you.

We look forward to an opportunity to adjust our errors, if any, and we trust that your original confidence will still be extended to us.

Yours faithfully,  
Banerjee Brothers

Letters inviting complaints should be used very cautiously. They should not be used to excuse an error; they should rather stress the firm's desire to improve further a service already the best possible.

### EXERCISES ON CHAPTER XIX

1. Write letters from the following particulars:—(*C. U. 1946*).
  - (a) Dutt Bros. complain of the consignment of varnish received from A. Williams, in Calcutta, alleging that it was too thick, and almost unfit for use. They offer to retain the goods, however, on condition that an allowance of 5% is made in the price, failing which they suggest that Williams should dispose of the goods.
  - (b) A. Williams attributes the condition of the varnish to the fact that it has been in stock for a long time, and says that the defect can easily be removed by heating it immediately before use. He thinks there is no ground for a claim, nor any reason to return the varnish. Nevertheless, in order to meet the customer, he will make them an allowance of 2%, but is unable to do more.
2. Your suppliers have sent only some of the goods on order and even those have been delivered late. Some of the goods supplied are

defective. Write to your supplier stating all this, insist on redress and cancel the order for the remainder which could not arrive in time to be of any use to you.

3. Draft a reply to the above, dealing adequately with all the points raised.
4. Write a conciliatory letter to a customer who complains of the unsatisfactory condition of goods on arrival. State that a duplicate parcel has been sent per railway and ask the customer to return the original parcel, carriage forward, unless, of course, he prefers to retain it at a discount of 5%.

5. One of your customers complains of defects in the goods you have just supplied. Write a tactful letter to him pointing out that you are unable to accept any liability till your representative has inspected the goods, and assure him of generous treatment.

6. From the following notes draw up a suitable letter, inserting names and addresses:—

Cannot trace item mentioned — send invoice number, date, method of carriage, etc. — search will be made — will notify.  
(N. U. T. 1931).

7. Messrs Desai & Co., Nagpur complain that the Camel Hair Rugs, supplied by Modern Trading Co., Delhi, are decidedly inferior in quality to the sample which led to the placing of the order. The hair is rough, finish bad, and the appearance repels the buyer. They return the goods and want immediate adjustment.

8. Modern Trading Co., Delhi state in reply that owing to an unfortunate oversight Rugs of an inferior quality were sent, that the error was detected soon after and the required quality sent. They express regret at the inconvenience caused and hope for a continuance of the favour.

9. Messrs Kalkar & Co., Poona advise Morarji & Co., Bombay that the "Acme" stainless steel knives supplied by the latter are found to tarnish very quickly. Numerous complaints have been received from customers and they have stopped selling the 250 knives they have in stock. They suggest that the knives should be substituted by better ones.

10. Morarji & Co., Bombay express their regret at having caused the inconvenience to Kalkar & Co. They ask Kalkar & Co. to return the knives which they offer to replace. They offer also to replace the knives already sold and ask for the names and addresses of the customers.

11. Mr. B. K. Rudra, Calcutta, has returned the Movie Projector he purchased from you six months back for repair, free of charge. He states that the Projector is defective, and that the one-year guarantee entitles him to free repair.



12. An investigation by your service department shows that the oscillating arm of the projector is broken. The projector must have been dropped or seriously knocked. This is not covered by the guarantee which covers only "defects in materials and workmanship." The charges for repair will be Rs. 60/-. Draft a letter to Mr. Rudra stating all these and try to get his authorisation for the repair.

## CHAPTER XX.

### COLLECTION LETTERS

Most business is now-a-days carried on credit and the collection problem is the necessary result. Salesmen, in their eagerness to make as favourable a record as possible, will very often overlook necessary conditions of credit and load the customer with more goods than he can dispose of. Add to this, the natural reluctance of people to part with their money after the goods are in their possession or after the service has been rendered. No wonder, therefore, that the collection problem bulks large and requires careful attention from the business man.

#### Guiding Principle.

The purpose of collection letters is to collect accounts when they are due. To allow slow payers to run on indefinitely often amounts to running the risk of bad debts. At the same time, undue pressure or indiscreet letter demanding payment will often irritate or alienate desirable customers. In writing collection letters it must always be remembered that a customer's cash business may be worth having even though his credit account is delinquent. Such being the case, the guiding principle for the writer of collection letters should be—Collect the account but keep the customer.

#### Classification of Debtors.

Collection letters must take into consideration the standing of the debtor. Generally, debtors are classified into three groups.

1. Delinquents who are ready, willing and able to pay and need merely to be reminded of the debt.
2. Delinquents who lack funds for immediate payment.
3. Delinquents who want to escape or delay payment.

It always pays to ascertain, whenever possible, the reason that prevents people from paying. This will help the writer to shape his collection letter according to circumstances. It will be useless to write a series of letters demanding payment to a man who has no funds for immediate payment. Ordinarily, there is little difficulty with the first two groups. It is with the third group that difficulties arise.

### The Procedure.

The procedure of collection is fairly well established. The first letter simply notifies the customer that his account is due. A statement of account accompanies this letter. If this evokes no reply, a reminder is sent, pointing out the possibility of an oversight or loss of the document. A duplicate statement of account accompanies the second letter. The first two letters are mere statements. Nothing should be allowed in these letters that might hint distrust or might be resented. Should further communication be necessary, the tone of the letter should be firm and it may well require payment by a certain date. The next reminder would demand payment by return of post failing which legal steps would be taken. Finally, a brief and formal letter is sent notifying the steps taken.

There are, thus, three stages in the collection series,—

1. Intimation. Generally two letters are devoted to this stage.
2. Appeal culminating in a demand for payment with threats. In this stage, the number of letters will depend upon the circumstances of the case. A great variety of appeals is possible. Appeals may be made to the customer's fairness, reputation, sympathy, co-operation. To talk on the value of credit and what its loss would mean to the customer may be of help. This

stage will end with a peremptory demand for payment, often with threats.

3. Enforcing payment. A brief and formal letter is sufficient for this stage.

A collection campaign, to be effective, should be well planned. Most of the delinquent accounts in the ledger will be easily collected if they are handled systematically. The shorter the time between things sold, and the sending of the bill for it the easier the collection. The bill should be followed by collection letters at regular intervals. "Bill promptly and post collection letters regularly" is a very good rule for the collection department. It is desirable that the firm observes certain fixed dates for posting bills and collection letters, so that the customer may expect them at certain times and may be educated in the habit of prompt payment. How many letters should be sent before taking legal action or dropping the effort depends on the circumstances of each case. The number of letters will generally be more where legal action is undesirable than in cases where such a step is unavoidable. It may not be out of place to state here that to have recourse to legal action in regard to old customers is justly looked upon as a confession of deplorable inefficiency of the collection department.

Sometimes collection letters may be utilised to influence sales. This will be of advantage to the sales department as well as to the collection department. The sales talk in the letter will promote sales; at the same time it will take away the curse from the request for payment and make the letter welcome to the customer. But no sales matter should be artificially dragged into the collection letter. With the co-operation of the sales department, the collection department will know when such opportunities occur and may take advantage of them. *Letter No. 89* is one such letter.

### Collection Stunts.

In some cases, the debtor maintains a stony silence, no matter how many letters are written to him. These are perhaps

the hardest cases to collect. The collection department is left in the dark whether the customer has any cause for grievance or is negligent or is in difficulty. Such silence on the part of the debtor is extremely exasperating. But it will not do for the writer of the collection letter to give vent to his anger. In these cases, instead of trying to enforce payment, it is often wise to try to enforce a reply. In order to do so, one has to take recourse to stunt letters and catch such debtors off their guard. When the reply comes, the collection department will have some basis on which to proceed.

Sometimes a statement calling for more than the amount due may be sent. In many cases this will wring a protest from the customer. That may make the way easy for collection.

A certain firm, we are told, bent upon making record collection, made a gift of a fountain pen to each of such debtors with a reminder for payment ending with a request "to accept the pen, and you should find it will write out cheques without the slightest trouble." The stunt was eminently successful in effecting collections.

Sometimes, a letter like the following may be sent.

**Letter No. 88.**

Dear Sirs,

Our books show your account past due, but our files give no indication of its reason.

You need not bother to write a letter. Just put your signature in the appropriate blank at the bottom of the letter and return it to us in the enclosed stamped envelope. This will help us to co-operate with you.

Yours faithfully,

I have not paid my account because—

1. Of oversight—
3. Of error or overcharge—
4. I will remit in—days—
5. Payment is in the mail—
6. I enclose cheque for Rs.—

Stunt letters are often very difficult to write. Besides, it is not always safe to use them. They are valuable in that they render relations cheerful and make things easy. They have no doubt a place in the collection file, but should be used with discretion. ..

The following points should be noted in connection with collection letters—

- (1) Always assume that the customer will pay. This expectant attitude will often make the customer realise his responsibility. If the debtor can realise that his case is considered hopeless, he will take advantage of it.
- (2) Collection letters should not be apologetic. In requesting payment, the creditor is asking no favour. He has, just as good right to his money as the customer has to the filling of his order. A straight forward request for payment will win the respect of the delinquent.
- (3) The tone of collection letters should be courteous, friendly but firm. Nothing that might offend the debtor should be allowed to get into the letter. Often a debtor will take a sharp collection letter as a pretext for postponing payment indefinitely. The letter should assume—though often without justification—that payment has not been made due to oversight or engagements of great importance. Charity may effect what justice has not.
- (4) The collection letter must leave the way open for the debtor to pay, with good grace. It must never try to make him admit that he has been in the wrong.
- (5) Sales pull in the collection letter is doubly welcome, but it should not be artificially dragged in.
- (6) Threats should be avoided as far as practicable. But when they are made, they should be carried out.
- (7) A judgment against the delinquent customer is often of doubtful value. Besides, it means the loss of the

customer and possibly many another. So when it appears that the customer is neither negligent nor trying to evade payment, necessary adjustment should be made to enable him to improve his financial position.

- (8) Collection letters should never be sent on post cards. If such a letter—as it usually does to some extent—reflects injuriously upon the conduct of the recipient, it amounts to a libel, and the sending of it on the post card is a publication of the libel.

**Letter No. 89. Sales and Collection Combined.**

Calcutta, 7th September, 194 6.

Messrs. Banerjee & Co.,  
Burdwan.

Dear Sirs,

We enclose a copy of our Puja Bazar Catalogue introducing many novelties. Perhaps it will be helpful if you will go through it now and outline your requirements for the Puja Sale.

Since your present balance of Rs. 175-12-0 has been lying due for some time, it would be best for you to send us a cheque for the amount so that we can fill your new order on open account.

Yours faithfully,

**Letter No. 90. Another Form.**

Bombay, 12th July, 194 4.

Modern Stores,  
Calcutta.

Dear Sirs,

Our books indicate that your account amounting to Rs. 97-12-0 has been running over six weeks.

Will you please look into the matter and send us a cheque for the amount?

The price of piecegoods has been steadily rising. Since you have not placed any order for these for some time, we hope it would pay you to replenish your stock now.

Yours faithfully,

Letter No. 91. To a debtor after several reminders.

Calcutta, 22nd June, 194 .

Messrs. Choudhury & Co.,  
Calcutta.

Dear Sirs,

It is really annoying to be bothered with frequent reminders for a bill for so small an amount as Rs. 27-12-0. Our insistence in the matter, we assure you, is a matter of necessity and not of choice, and it is equally unpleasant to us.

May we request you, therefore, to send your cheque for the amount in the enclosed stamped envelope and do away with the botheration?

If a cheque is not convenient now, will you please use the envelope to send us a brief note telling us when we may expect payment?

Yours faithfully,

Letter No. 92. A Collection Series. First Letter.

Calcutta, 12th May, 194 .

Dear Sirs,

May we draw your attention to your account amounting to Rs. 270-0-0 which remains unpaid? We enclose a statement of account and shall be pleased to receive your early remittance.

Yours faithfully,

Enc. 1.

Letter No. 93. Second Letter.

Calcutta, 27th May, 194 .

Dear Sirs,

We have not received any reply to our letter dated 12th May, asking for the settlement of your account amount-

ing to Rs. 270-0-0. In the circumstances, we presume that the letter did not reach you, and we now enclose a duplicate statement of account to which we ask you to give immediate attention.

Yours faithfully,

Enc. 1.

**Letter No. 94. Third Letter.**

Calcutta, 8th June 194

Dear Sirs,

We have not received any reply to our two previous letters dated 12th and 27th May, asking for settlement of your account, Rs. 270-0-0 which is now long overdue.

As we are unable to allow the account to stand over longer, we must really insist on receiving payment immediately in full settlement, failing which we shall be compelled, much to our regret, to take further steps to enforce payment.

Yours faithfully,

**Letter No. 95. Fourth Letter.**

Calcutta, 15th June, 194

Dear Sirs,

We have written to you thrice for settlement of your account without receiving any reply from you. We have now to inform you that if you do not settle your account within seven days from date, we shall be compelled, much against our desire, to place the matter in the hands of our legal agents without further notice to you. We trust however that you will not render this course necessary. Your balance is Rs. 270-0-0.

Yours faithfully,

**Letter No. 96. Fifth Letter.**

Calcutta, 22nd June, 194

Dear Sirs,

We have to inform you that having received no reply to our letters of the 12th and 27th May, and 8th and 15th



June, asking for settlement of your account, we have to-day placed the matter in the hands of our legal agents.

Yours faithfully,

Letter No. 97. Extension Allowed.

Calcutta, 10th August, 194 .

Dear Sirs,

We have your letter of the 7th August, stating the difficulties in which you have unfortunately been placed.

In view of the circumstances, we are prepared to allow you a fortnight's time to settle your account. It must be distinctly understood, however, that this concession is without prejudice to our usual terms of  $2\frac{1}{2}$  per cent. discount for payment within seven days or net cash at one month.

Yours faithfully,

Letter No. 98. Offering Terms of Settlement.

Calcutta, 14th February, 194 .

Dear Sirs,

We have your letter dated 12th February regarding your account amounting to Rs. 150-0-0 which is so long overdue. You have written of the many reverses you suffered last year and have requested us to accept Rs. 100-0-0 in full settlement of the debt.

We are sorry we cannot accept this sum. But in view of the circumstances we are prepared, without prejudice\* to our claim, to accept Rs. 125-0-0, in full settlement, provided we receive the amount within ten days from to-day.

We believe, you will find it possible to accept this offer.

Yours faithfully,

\*Note that letters of this kind should contain this phrase or words of similar meaning. Otherwise, in case of legal proceedings the debtor may plead that the creditor is entitled to claim the smaller sum only.

**Letter No. 99.** Offering Return of Goods.

Calcutta, 10th January, 194 .

The Punjab Trading Co.,  
Lahore.

Dear Sirs,

We received yesterday your letter asking for settlement of account. We are really sorry that we have been unable to make payment before now. This has been due to the fact that we have been specially unfortunate with your goods this year. The bulk of the goods is still on our hands while the season has nearly come to a close. Perhaps we miscalculated the demand for the goods and ordered more than we ought to have done. We are very much concerned at the prospect of holding the goods till the next winter.

In view of the circumstances, may we request you to take back a part of the stock? The amount may be credited to our account against future order to be placed with you.

We enclose a cheque to-day for Rs. 250-0-0 on account.

Yours faithfully,

**Letter No. 100.** Reply to above.

Lahore, 14th January, 194 .

Dear Sirs,

We thank you for your cheque for Rs. 250-0-0 and letter dated 10th January with regard to your overdue account. We are really sorry to learn that you have not been able to dispose of your stock.

We are sorry we cannot take back any of the unsold stock. That is against our principles. The winter sale will continue yet for two months, and we sincerely hope that you will be able to make good use of the time. These goods have proved very popular this season, and we have received many repeat orders from customers all over the country.

Your account is now more than two months overdue

and we cannot really allow it to stand over any longer. We must, therefore, request you to send your cheque immediately in full settlement. Your balance is Rs. 420-12-0.

Yours faithfully,

### EXERCISES ON CHAPTER XX

1. Saxena & Co., Agra, send a Statement of Account to Agarwal & Co., Raipur and ask for a settlement of the account. Draft the letter.
2. Agarwal & Co. send a cheque in settlement of the account. Draft a covering letter for it.
3. Draft a collection series, four in number, beginning with a formal notification of the debt and ending with a hint at legal proceedings.
4. Write to a customer who is slow in settling his accounts pointing out to him that unless you receive payments in time you cannot possibly make your payments in time and appeal to him for co-operation.
5. Write a letter for Guha & Sons., Calcutta, to Dixit & Co., Lahore, asking them to settle their account within a fortnight failing which the matter will be referred to the company's solicitors. Tell them that the amount became due three months back and that they have not replied to five reminders sent previously.
6. Draft a reply for Dixit & Co., Lahore, expressing regret for the delay in settlement, enclosing a cheque as part payment and requesting 3 months time for settlement of the account. State that the poor quality of goods bought from Guha & Sons has rendered the sale difficult and this explains the delay.
7. Write as from Guha & Sons, Calcutta, thanking Dixit & Co., Lahore for the cheque and allowing them the extension prayed for, but making it clear to them that you neither share their opinion of the goods supplied nor take the responsibility of their failure to effect a sale.
8. Messrs Haralalka & Co., one of your customers, have neither settled their account with you nor given any reply to your reminders. They are long connected with your firm. Write a sympathetic letter to them inquiring whether they are in any difficulty and suggesting payment by instalments.
9. Draft a reply for Haralalka & Co., stating that unusual slackness in trade has put them into difficulty. They appreciate the offer of payment by instalments and enclose a cheque to cover a fourth of their debt.
10. You have been deputed by your firm to investigate the financial position of one of its customers. Submit a report and recommend a course of action.

## CHAPTER XXI

### BANKING LETTERS

The primary functions of a banker consist of two things, the accepting of deposits and the granting of loans. The deposits are generally of three kinds,—

- (a) Fixed Deposits, utilised especially for saving or for putting by money until it is needed. It bears interest at rates varying with the period fixed. The banker can use this money within the fixed period without being in danger of meeting a demand for payment. For this reason, the rate of interest on fixed deposits is higher than that on other kinds of deposits.
- (b) Savings Account, utilised for domestic purposes. In this account the customer can withdraw money only once a week.
- (c) Current Account. This is repayable on demand and the customer can draw as often as he likes so long he has funds at his credit. Most bankers allow no interest at all on current accounts. Business men generally prefer this kind of account because of its liquidity. When, however, they have a surplus above the normal trading requirements, they transfer the surplus to deposit account to earn interest.

The relation between the banker and his customers is that of a debtor and creditors. So long the customers have money to their credit in the bank, the banker is the debtor and the customers are the creditors. The banker, however, is in no sense a trustee of the customer's money. As soon as the money passes into the possession of the banker, it is his money. It is a banker's duty to honour his customer's cheques so long there is a sufficient balance for the purpose. A cheque drawn by a customer, thus, is a mandate to the banker to pay the amount specified in the

cheque. The customer is, therefore, a mandant—the person who commands, while the banker is a mandatory—the person who has to obey.

The banker is both a borrower and a lender. The interest he allows on deposits is less than the interest he charges on loans, and the difference constitutes his profit.

When granting loans, bankers insist on some tangible form of security. Among securities, bonds and shares are most popular, though real estate, produce and similar other securities are sometimes accepted. Customers of the highest standing are often granted advances or overdrafts against personal security, *i.e.*, against their undertaking to repay. The main advantage of an overdraft is that the borrower pays interest from the date he actually draws the money and not from the date the money becomes available as in the case of loans.

In private life, an individual generally feels shy to borrow money. But it is different in the business world. A business man with reasonable security to offer will approach his banker for a loan with all the confidence of a customer.

The services rendered by bankers to their clients are too numerous to be mentioned here. The principal ones may only be noted. The banker collects, for his customers, cheques drawn in their favour on other banks and makes payments including annuities, subscriptions, insurance premiums &c., on behalf of his customers. In the case of crossed cheques, his services are indispensable. He will collect and discount bills for his customers accept bills drawn by or for account of a customer; advance money on documentary bills and on cash-credits; issue letters of credit and travellers cheques; transact stock exchange and foreign exchange business; undertake the safe custody of securities and other valuables and also act as trustee, attorney and executor.

Thus, the advantages the business man derives from his banker may be summed up as below—

“(1) He is enabled to convert his own credit (which has a narrow currency) into the bank's credit (which has a

wide currency). He obtains in his cheque book a *generally acceptable* medium of exchange."

"(2) He is enabled to share in the profits from the use of capital that is for a time idle in the hands of its owners."

"(3) He is enabled to make his credit instantly and cheaply available at points distant from his place of business."  
(Weston)

In view of these varied transactions, it is quite apparent that banking correspondence bulks large. But a greater part of this correspondence is done by filling in printed forms as the transactions are stereotyped in character.

For the sake of convenience, we shall treat banking letters under the following different groups:—

1. Cash and Cheques.
2. Bills of Exchange.
3. Stocks and Shares.
4. Accounts Current.

*Note.*—Bank letters are often written in the first person plural although signed by the Manager only. In letters to customers, the first person singular is more frequently used.

#### Group 1. Cash and cheques.

Letter No. 101. Requesting Pass Book to be Made up and certificate of Balance.

Calcutta, 30th May, 194 .

The Union Bank Ltd.,  
Calcutta.

Dear Sirs,

The first half of our financial year ends to-morrow, and I shall be glad if you will have our Pass Book made up by 3rd June and the balance brought down up to and inclusive of 31st May.

I shall also request you to furnish us with a certificate of balance brought down, for our auditor's inspection.

Yours faithfully,

S. N. Das,

p.p. Das Trading Company.

**Letter No. 102.** Cheque Dishonoured: Bank asked to Explain.

Calcutta, 15th April, 194 .

The Sterling Bank Ltd.,  
Calcutta.

Dear Sirs,

I am surprised to find that you have dishonoured my cheque No. C|10041 dated 10th April, for Rs. 360|- in favour of Modern Trading Co., with the remark "Effects Not Cleared."

My balance with you after you had honoured my previous cheque was Rs. 220-12-0. On 4th April I sent to you for collection a cheque for Rs. 350-0-0 which raised the balance sufficiently to cover the dishonoured cheque.

As you had sufficient time to collect the amount, I shall be glad to know the reasons for dishonouring my cheque.

Your faithfully,

P. Naidu.

**Letter No. 103.** Bank's Reply.

P. Naidu, Esq.,  
Calcutta.

Dear Sir,

We have your letter dated 15th April. We are sorry that it was necessary for us to refuse payment of your cheque No. C|10041 submitted for collection on 11th April last.

The cheque for Rs. 350-0-0 drawn by Shastri & Co., in your favour and sent for collection on 4th April was post dated, and so the collection could not be made before 15th April. This seems to have escaped your notice.

In order to honour your cheque, an overdraft would have been necessary, and as the amount in question would have been fairly large, we were unable to allow it in the absence of any previous arrangement.

We trust that the position is now clear.

Your faithfully,  
P. C. Das,  
Manager.

Letter No. 104. Cheque irregularly drawn.

Calcutta, 10th May, 194 .

Messrs. Rao & Co.,  
Bombay.

Dear Sirs,

The enclosed cheque for Rs. 420-0-0 has been returned to-day by our bankers marked—

“Requires another signature.”

Will you please see that it is added and send the cheque to us by return?

Yours faithfully,  
Banerjee Brothers.

Letter No. 105. Cheque Dishonoured. Referred to solicitors.

Calcutta, 15th May, 194 .

Messrs. D. Natham & Co.,  
Calcutta.

Dear Sirs,

Your cheque for Rs. 750-0-0 on Bullion Bank Ltd. dated 12th May, has been returned to us by our bankers to-day marked N|S.

In view of the difficulties we experienced on previous occasions in securing settlement from you, we cannot keep your account open any longer, and have accordingly placed the matter in the hands of our solicitors, Messrs. Sen & Ray



10, Old Court House Street, Calcutta, to whom we must refer you.

Yours faithfully,  
Bose & Company.

Letter No. 106. Instruction for Remittance.

Calcutta, 10th March, 194 .

The Security Bank Ltd.,  
Calcutta.

Dear Sirs,

Will you please remit Rs. 480(- (Rupees Four hundred and Eighty only) to Messrs. Dixit & Co., of 22, Chowk Street, Cawnpore on debit our account? A cheque covering the amount and your commission at the rate of 1|16 p.c. drawn in your favour is enclosed.

Please ask for receipts in duplicate one of which may kindly be sent to us.

Yours faithfully,  
P. M. Das & Co.

Letter No. 107. The Remittance.

Calcutta, 11th March, 194 .

Messrs. Dixit & Co.,  
22, Chowk Street,

Dear Sirs,

Under instructions from Messrs. P. M. Das & Co., of 15, Clive Street, Calcutta, we have pleasure to send you to-day a cheque on the Imperial Bank of India Ltd., Cawnpore Branch, value Rs. 480|- (Rupees four hundred and Eight only)

We enclose receipts in duplicate for your signature and shall appreciate your sending them back to us by return.

Yours faithfully,  
P. Soni,  
Manager.

Enclosed. Cheque No. CA|40032

Receipts 2 copies.

## Letter No. 108. Receipts Returned.

Calcutta, 15th March, 194 .

The Security Bank Ltd.,  
Calcutta.

Dear Sirs,

We thank you for your letter dated 11th March enclosing a cheque value Rs. 480/- on the Imperial Bank of India Ltd., Cawnpore Branch, and two copies of receipts.

The receipts are signed and returned to you herewith.

Yours faithfully,  
Dixit & Co.

Encs. 2.

## Letter No. 109. Bank intimates the Remitter.

Calcutta, 19th March, 194 .

Messrs. P. M. Das & Co.,  
15, Clive Street,  
Calcutta.

Dear Sirs,

In accordance with your instructions dated 10th March we sent Rs. 480/- (Rupees Four hundred and Eighty only) per cheque No. CA 40032 on the Imperial Bank of India Ltd., Cawnpore Branch to Messrs. Dixit & Co., of 22, Chowk Street, Cawnpore on 11th March, and debited you with the sum plus 0-5-0 as transfer charges.

The duplicate copy of the receipt we obtained from the payee is enclosed.

Enc. 1.

Yours faithfully,  
P. Soni,  
Manager.

## Letter No. 110. Telegraphic Transfer.

Messrs. Joshi &amp; Co.

Calcutta, 19th April, 194 .

Calcutta.

Dear Sirs,

Under telegraphic instructions from our Bombay office, we are prepared to pay you Rs. 1,200|- (Rupees One thousand two hundred only), against your receipt in duplicate for the amount.

Yours faithfully,

P. Soni,

Manager.

## Letter No. 111. Requesting Bank to pay Insurance Premiums

Calcutta, 2nd Jany., 194

The Union Bank Ltd.,

Calcutta.

Dear Sirs,

I shall feel obliged if you will undertake to pay the life insurance premiums, as and when they fall due, in respect of my policies detailed below. The amount of the premiums together with your charges may be debited to my Current Account which I shall not fail to keep well in credit to enable you to comply with my request.

## DETAILS OF POLICIES.

Name of the Company	Policy No.	When due.	Amount Rs. As
1. Hindusthan Life Insurance Society Ltd. . . . .	15662	15th Jan. & Quarterly	75-11
2. Do. Do. . . . .	21102	30th March & 30th September	320-11
3. Oriental Govt. Sec. Life Assurance Co., Ltd.	655934	25th July	978-0

Yours faithfully,

R. N. Mitra.

**Group II. Bills of Exchange.**

Whenever a bill of exchange is remitted, the covering letter should contain the amount, the date of maturity, the name of the drawer in case of a local draft and the place of payment in other case. In the case of foreign bills, the rate of exchange is also usually mentioned, but sometimes it is left to the foreign drawer to credit to the drawee at the highest possible rate.

For our convenience, we shall treat all letters in this group under the following divisions—

- (i) Discounting of Bills.
- (ii) Collection and Acceptance of Bills.
- (iii) Domiciliation of Bills.
- (iv) Drafts and Remittances for account.

*Discounting of Bills.*

The discounting of a bill involves three communications only—

- (1) Holder to Banker enclosing bill.
- (2) Banker to Holder enclosing statement of account, and proceeds, if necessary.
- (3) Holder to Banker acknowledging receipt.

When the holder of the bill happens to be an account holder of the Bank, the first and the second letters are represented by printed forms while the third disappears entirely, as the proceeds are credited to his account. We give below three letters to represent this transaction—

**Letter No. 112. Enclosing Bill for Discounting.**

Berhampore, 20th August, 194 .

Traders Bank Ltd.,  
Calcutta.

Dear Sirs,

I enclose acceptance of Thakorlal & Co., Ltd., for Rs. 527/- due 21st September next for discount and remittance of proceeds in draft on demand on Berhampore.

Yours faithfully,  
S. K. Dhar.

Letter No. 113. Bank enclosing d/d.

Calcutta, 22nd August, 194 .

S. K. Dhar, Esq.,  
Berhampore.

Dear Sir,

I have pleasure in sending you herewith a demand draft on Berhampore for Rs. 523-12-0 being proceeds of bill discounted less commission on draft. A detailed statement is closed.

Yours faithfully,

T. K. Ray,

Manager.

Letter No. 114. Acknowledging Receipt.

Calcutta, 24th August, 194 .

Traders Bank Ltd.,  
Calcutta.

Dear Sirs,

Thank you for your letter dated 22nd August enclosing a d/d for Rs. 523-12-0 and a statement of account.

Yours faithfully,

S. K. Dhar.

*Collection & Acceptance*

Letter No. 115. Bills for Collection.

Calcutta, 17th July, 194 .

The Safe Bank Ltd.,  
Calcutta.

Dear Sirs,

We enclose the following drafts for favour of collection and should be glad if you would credit us with the proceeds.

Rs. 720|- at sight on Modi & Co., Calcutta.

Rs. 325|- due 20th July on Bose & Co.,

Rs. 455|- due 22nd July on Shroff & Co.,

Yours faithfully,

B. K. Ray & Co.

*Domiciliation*

The negotiation of a bill is facilitated by its being accepted payable at a great banking centre. So provincial merchants generally accept their bills payable at the provincial headquarters, usually at the office of their local banker's agent. The occasion for correspondence here is limited to the following—

- (1) Asking Bank's permission to domiciliate bills and terms for doing so
- (2) Bank's willingness and terms.
- (3) Confirmation of terms and advice of bills.
- (4) Remittance for discharge of domicile.
- (5) Acknowledgment of above.

Letter No. 118. Permission to Domiciliate at a Bank.

Calcutta, 16th March, 194 .

The Citadel Bank Ltd.,  
Calcutta.

Dear Sirs,

May we inquire whether you would permit us to domiciliate our drafts at your Bank, and if so, on what terms.

The drafts would amount to Rs. 25,000|- annually, and will generally be above Rs. 200|- and never under Rs. 100|-.

We shall always provide you with securities some days before maturity.

Yours faithfully,  
Bose & Sons.

Letter No. 119. Reply Agreeing.

Calcutta, 17th March, 194 .

Messrs. Bose & Sons,  
Calcutta.

Dear Sirs,

We thank you for your letter dated 12th March, and have pleasure to inform you that we are willing to allow you to make your drafts payable at our Bank.

For an annual turnover of Rs. 25,000/- payable in sums of not less than Rs. 100/- we shall charge you a commission of  $12\frac{1}{2}\%$ , and return your discharged drafts post free.

We hope that these terms will prove acceptable and business follow.

Yours faithfully,

**Letter No. 120.** Accepting terms and Advising Bills.

Calcutta, 20th March, 194 .

The Citadel Bank Ltd.

Calcutta.

Dear Sirs,

We thank you for your letter dated 17th March, and are glad to accept the terms laid down by you.

Further, we advise you that we have domiciliated the following drafts at your Bank for which security will be sent to you in due course—

Rs. 350/- to mature on 1st April, by Manna & Co., Patna.

Rs. 576/- to mature on 15th April, by P. Sarogi & Co.,  
Allahabad.

Rs. 745/- to mature on 20th April by N. Kapoor & Co.,  
Bombay.

Yours faithfully,  
Bose & Sons.

**Letter No. 121.** Enclosing Remittance for Draft.

Calcutta, 20th March, 194 . .

The Citadel Bank Ltd.,

Dear Sirs,  
Calcutta.

We enclose Rs. 255-4-0 as per statement below, to discharge our domicile drawn by Manna & Co., Patna, value Rs. 350/- and your commission at  $\frac{1}{2}\%$ .

Yours faithfully,  
Bose & Co.

## STATEMENT

	Rs.	A.	P.		Rs.	A.	P.
Bill value	350	0	0	3 Rs. 100/- notes	300	0	0
Comm. @ 1½%	5	4	0	1 „ 50/- ..	50	0	0
				1 „ 5/- ..	5	0	0
				Stamps ..	0	4	0
	<hr/>				<hr/>		
	355	4	0		355	4	0

Letter No. 122. Reply.

Calcutta, 2nd April, 194 .

Messrs. Bose & Sons,  
Calcutta.

Dear Sirs,

We thank you for your letter dated 30th March enclosing notes and stamps to the value of Rs. 355-4-0.

	Rs.	A.	P.
Per contra we have discharged your acceptance drawn by Manna & Co., Patna for	350	0	0
and have booked our commission at 1½%	5	4	0

Rs. 355 4 0

The discharged draft is returned herewith.

Yours faithfully,

Frequent correspondence takes place in connection with the banker accepting Documentary Bills for account of another. This becomes necessary when the merchant importing goods from abroad is not known to the exporter. This type of correspondence includes—

- (1) A request to the Bank to accept documentary bill.
- (2) Bank's assent.
- (3) Advice from exporter to the Bank.

Again, when the importer is not thoroughly known, the exporter cannot run the risk of non-payment by surrendering



goods before payment has been made. It is seldom possible for the exporter personally to collect payment before delivery. So the appointment of an agent at the importing centre becomes necessary. This function is generally entrusted to the banker who has branches or agents at the importing centre. The exporter hands to his banker the Bill of Exchange on the importer, the Bill of Lading, the Insurance Policy, the Invoice and sometimes a letter of Hypothecation, and instructs him to surrender the Bill of Lading against acceptance or payment of the Bill of Exchange. Instruction to adopt first method (D/A) is given in cases of firms of good standing, while the second method (D/P) is meant for the rest.

The exporter, pressed for money, may sometimes request his banker to grant loans on the Documentary Bills. Other things being satisfactory, the banker usually advances about 60 p.c. of the value of the goods and requires the Bill to be endorsed to his order and protects himself by a Letter of Hypothecation. In certain cases, the banker will also discount such bills and become a holder for value. These transactions give rise to frequent correspondence between the Exporter and the Banker as illustrated by letters Nos. 123 etc.

**Letter No. 123.** Requesting Bank to accept documentary Bill.

Calcutta, 9th September, 194 .

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

We have just contracted a large purchase of Australian wheat, but the exporter informs us by cable that his bankers are not willing to draw upon us as we are unknown to them. We should, therefore, request you to consider if you could see your way to allow the draft to be made out on you and accept it on presentation. The bill would be at 60 d/s and amount to about Rs. 9,000/-. You would be incurring no risk as the bill would be drawn well within

the market value of the goods and would be accompanied by B/L and certificate of Insurance.

Should you require an assurance of our standing, Messrs. Birla & Co., 120, Harrison Road, Calcutta and the National Trading Co., Ltd., 15, Clive Row, with whom we have been dealing for many years, would be pleased to give you all necessary information.

Yours faithfully,  
B. N. Dutta & Co.

Letter No. 124. Bank's Favourable Reply.

Calcutta 12th September, 194 .

Messrs. B. N. Dutt & Co.,  
Calcutta.

Dear Sirs,

We have your letter dated 9th September, and have pleasure to inform you that in the circumstances stated in your letter we are prepared to accept the draft.

Yours faithfully,  
R. Guha  
Manager.

Letter No. 125. Exporter advising the Bank.

Calcutta, 14th September, 194 .

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

We have drawn upon you to-day, in accordance with cabled instructions, for £450-0-0 at 60 d/s by order and for account of Messrs. B. N. Dutt and Co., of your city, against B/L and all necessary documents relating to consignment of wheat per *S. S. Victoria*.

Yours faithfully,  
Burton & Co.

**Letter No. 126.** Instruction for D/P.

Calcutta, 15th October, 194 .

The Bank of the East Ltd.

Saigon.

Dear Sirs,

We have just despatched by the S.S. *Oceanea* to the Saigon offices of the Oriental Shipping Company a consignment of 15000 bales of jute (to be held at your disposal) in execution of an order from the Saigon Trading Co.

As we have no idea about the business position of the firm in question we consider it unwise to deliver the shipping documents against their mere acceptance. We, therefore, enclose a sight draft on them together with B/L and request you to obtain payment of all that is due before you deliver the B/L.

Please remit us the amount of the draft less your expenses per cheque payable in Calcutta.

Yours faithfully,

Encs. B/E, B/L.

East Bengal Trading Co.

**Letter No. 127.** Intimation.

Calcutta, 15th October, 194 .

The Saigon Trading Co.,

Dear Sirs,

We thank you for your order No. 321/43 dated 5th September, and have despatched 15000 bales of jute by S.S. *Oceanea*, due at your place on 4th November.

For the amount of the Invoice enclosed we have drawn upon you at sight through the Bank of the East Ltd. which has been instructed to deliver the B/L on payment of the draft. This being the first time we have the pleasure of executing your order, we have, placed the transaction on a cash basis.

Letter No. 132. Intimation to Payee.

Burdwan, 20th June, 194 .

Messrs. Dupont et Cie.,  
Paris.

Dear Sirs,

We have your statement of account up to 31st May, showing our debit balance amounting to.....We have instructed The City Bank Ltd., Calcutta to remit you immediately the amount in full or thereabout for our account.

Please send us a receipt for the amount.

Yours faithfully,  
Banerjee Brothers.

Letter No. 133. Order Executed.

Calcutta, 21st June, 194 0

Messrs. Dupont et Cie,  
Paris.

Dear Sirs,

We have pleasure in sending you herewith, by order and on account of Messrs. Banerjee Brothers, Burdwan,

Bill 7 d/s on Paris for....franks.

Please acknowledge receipt.

Yours faithfully,

Letter No. 134. Bank's intimation to Principal.

Messrs. Banerjee Brothers,  
Burdwan..

Dear Sirs,

As instructed by your letter dated 20th June we have remitted today.....franks to Messrs. Dupon et Cie, Paris. We enclose cheque for Rs.....being the balance of the proceeds less our commission at...p.c.

Yours faithfully,

Yours faithfully,  
Banerjee Brothers.

Letter No. 133. Order Executed.

Calcutta, 21st June, 194 0

Messrs. Dupont et Cie,  
Paris.

Dear Sirs,

We have pleasure in sending you herewith, by order  
and on account of Messrs. Banerjee Brothers, Burdwan,

Bill 7 d/s on Paris for....franks.  
Please acknowledge receipt.

Yours faithfully,

Letter No. 134. Bank's intimation to Principal.

Messrs. Banerjee Brothers,  
Burdwan.

Dear Sirs,

As instructed by your letter dated 20th June we have  
remitted today.....franks to Messrs. Dupont et Cie, Paris.  
We enclose cheque for Rs.....being the balance of the  
proceeds less our commission at...p.c.

Yours faithfully,

The Exchange quotations have a tendency to grow firmer and we can almost assure you that your holding will soon appreciate in value.

Yours faithfully,

Letter No. 138. Instructions to sell shares.

Calcutta, 20th March, 194....

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

I have decided to dispose of my South Calcutta Trading Co. shares, 791—800 inclusive.

During the last few days the market price of the shares varied from 92-8 to 93-8. If, therefore, you can find a buyer at 94 or above, I am prepared to execute the transfer and forward the share-certificates for cancellation.

Yours faithfully,  
B. R. Sen.

Letter No. 139. Advice of Sale.

Calcutta, 21st March, 194....

B. R. Sen, Esq.,  
Calcutta.

Dear Sir,

As instructed by you yesterday, we have arranged for the disposal of your shares in South Calcutta Trading Co. at 94-8. After deducting our commission at...p.c. there remains a balance of Rs.....in your favour.

Please complete the Transfer enclosed and return it to us along with the certificates for cancellation as soon as possible.

We consider it prudent on your part to have sold the shares now, especially in view of the recent Government

decision with regard to tariffs which is sure to affect adversely the future of the company. We suggest, however, that you invest the proceeds in the Calcutta Cement Company which, as you are doubtless aware, have been giving a steady dividend of  $7\frac{1}{2}$  per cent for the last five years, and is sure to receive a great impetus during this war. As there has been already a tendency to rise, we would request you to decide early. In order to keep a safe margin, they should be bought below 130.

Yours faithfully,

Letter No. 140. Request for Loan.

Calcutta, 20th April, 194....

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

I am contemplating extension of my business and as it would necessitate additional capital, I should be glad if you could see your way to arrange a loan for me of Rs. 5,000/- for a period of one year, against the following securities—

Reserve Bank of India	..	2,500/-
Hindusthan Co-operative Life		
Insurance Society ..	..	500/-
Mohini Mills ..	..	1,500/-
Burma Corporation ..	..	1,000/-
		<hr/>
		5,500/-

These securities, I believe, would afford sufficient margin from your standpoint, especially in view of their present prices.

Yours faithfully,  
D. R. Sen.

Letter No. 141. Enclosing Prospectus.

Calcutta, 25th March, 194....

B. R. Sen, Esqr.,  
Calcutta.

Dear Sir,

We thank you for your letter of yesterday and enclose a copy of the Prospectus of New India Shipping Co.

We also agree with your view that a great rush for these shares is most likely to occur. In the circumstances we recommend application for quite a considerable sum, for we feel that the higher the amount you apply for, the greater will be the likelihood of an allotment.

May we inquire in this connection, if you are prepared to invest say Rs. 50,000/-.

Yours faithfully,

#### Group IV. Accounts Current.

An Account Current is a statement in debit and credit form, recording the transactions between two parties for a definite period. Each item in the transaction bears an agreed rate of interest which is included in the account. It is usually rendered by (a) one dealer to another, (b) by a banker to his client, (c) by an agent to his principal, or (d) by a consignee to his consignor.

The party last named in the heading of the Account Current is generally the party rendering the account. Thus, "P. Naidu in Account Current with R. Bose" signifies that R. Bose is rendering the account to P. Naidu. The Account Current is really a copy of P. Naidu's account in R. Bose's Ledger, and shows the exact state of business between the parties.

The accounts are mostly balanced half-yearly. When the bank balances its books, it sends a statement of account to its customers showing the amount due to or by them on the date named, including interest, commission &c. In cases where the turnover is fairly large, the statement of account is sent more frequently in order that discrepancies, if any, might be detected at an early date. The account holder is furnished with a Pass-



Book in which all transactions are recorded by the banker at short intervals, and this obviates, to a great extent, the necessity of statement of account.

The correspondence relating to Accounts Current is very limited. Respectable bankers, as a rule, do not apply to the public for custom. Payments to and drawing from the account are mostly effected by filling up printed forms supplied by each bank for the purpose. Applications for credit in account and answers to them frequently give rise to correspondence. Besides this, we have the letters accompanying the statement of account and their replies.

The chief points in the terms of an Account Current are—

- (a) The extent of credit (overdraft) to be allowed.
- (b) The duration of the credits.
- (c) The security of the credit.
- (d) The rate of interest to be charged and allowed.
- (e) The commission to be charged.

The letter accompanying a statement of account must contain—

- (a) Reference to the statement of account.
- (b) Date to which the account is rendered.
- (c) Mention of the balance, *i.e.*, the amount due to or by the customer.
- (d) Request to check the account and report result.

If the statement is found correct, the party confirms its correctness and informs the bank that he has carried forward the balance to his new account. If, however, the statement is found incorrect, he gives details of the errors detected and asks the banker to make necessary corrections in his books. This will necessitate another letter from the banker advising that the corrections have been made and offering apologies for the oversight.

## Letter No. 142. Opening an Account Current.

Calcutta, 19th January, 194....

The City Bank Ltd.  
Calcutta.

Dear Sirs,

We should be glad to learn whether you are inclined to open an Account Current with us and if so, on what terms. We shall require an open credit of Rs. 1,000/-, and can promise you brisk business with a fairly large turnover.

We give below two references who will give you any information you may require regarding our credit etc.

Yours faithfully,  
P. M. Das & Co.

Manna & Co.  
139, Harrison Road, Calcutta.  
Mandal Brothers,  
15, Clive Street, Calcutta.

## Letter No. 143. Favourable Reply.

Calcutta, 23rd January, 194....

Messrs P. M. Das & Co.,  
Calcutta.

Dear Sirs,

We thank you for your inquiry dated 19th January, and have to inform you that we shall be glad to have you among our clients by opening an Account Current with you and according you an open credit of Rs. 1000/- (Rupees one thousand only).

Our terms of business on Account are—

6% interest charged.

4% interest allowed.

 $\frac{1}{3}\%$  Commission. $\frac{1}{2}\%$  Brokerage.

Reimbursement of outlay for stamps and postage.

Yours faithfully,

Letter No. 146. Account Current Sent.

Calcutta, 18th June, 194....

Messrs P. M. Das & Co.,  
Calcutta.

Dear Sirs,

As desired in you letter dated 10th June, we enclose a copy of Account Current made up to and including 25th June, showing a balance of Rs. 329-12-0 in your favour.

Please verify the statement and advise us if found correct.

Yours faithfully,

Letter No. 147. Statement Found Correct.

Calcutta, 29th June, 194 .

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

We thank you for your letter of yesterday enclosing a statement of our account made up to and including 25th June, showing a balance of Rs. 329-12-0 in our favour. The account has been examined and found correct and we have carried forward the balance to our new account.

Yours faithfully,  
P. M. Das & Co.

Letter No. 148. Statement Not In Order.

Calcutta, 29th June, 194 .

The City Bank Ltd.,  
Calcutta.

Dear Sirs,

We have your letter of yesterday enclosing your Account Current rendered up to and including 25th June. On examination we find that a small error has crept in.

We sent to you for collection a cheque for Rs. 22-8-0 on 12th March. Though you acknowledged receipt of the cheque by your letter dated 14th March, you have not credited us with the proceeds.

We enclose the statement of account and request you to have it rectified.

Yours faithfully,

Letter No. 149. Errors Rectified.

Calcutta, 1st July, 194 .

Messrs. P. M. Das & Co.,

Calcutta.

Dear Sirs,

We have your letter dated 29th June with statement of account. Your note regarding the omission of entry is found correct, and we have accordingly credited you with Rs. 22-8-0.

We enclose our corrected statement which now shows a balance of Rs. 352-4-0 in your favour up to and including 25th June.

Please accept our apologies for the oversight.

Yours faithfully,

Letter No. 150. Credit Withdrawn.

Calcutta, 24th February, 194 .

Messrs. P. M. Das & Co.,

Calcutta.

Dear Sirs,

We have to inform you that as you have had no transaction with us during the last six months, we are obliged to withdraw the credit accorded you.

We enclose a statement of your account showing a debit balance of Rs. 537-4-0 and request the settlement of your account at an early date.

Yours faithfully,

Letter No. 151. Asking Advance without Security.

Calcutta, 25th August, 194 .

The City Bank Ltd.,

Calcutta.

Dear Sirs,

The exigencies of my business make it necessary for me to find a temporary additional capital. I shall, therefore,

be glad if you can see your way to allow me to overdraw my account to the extent of Rs. 2,000/- until 31st December, 194.... by which time the amount will be repaid in full.

The character of the account I have with you will, I believe, justify this small advance without security, and I await your favourable reply.

Yours faithfully,

B. M. Sen.

Letter No. 152. Asking a valued customer to arrange for overdraft.

Calcutta, 28th August, 194 .

J. N. Roy, Esqr.,  
Calcutta.

Dear Sir,

We take pleasure in recalling your fairly long business association with us in maintaining a current account. Recently, on a number of occasions, your cheques on this account have been noted to be for amounts in excess of your balance, thus tending to overdraw it.

Presuming that a temporary accommodation may be of assistance to us both in regularising these overdrawings, we request you to send adequate securities to enable us to make an arrangement for an overdraft in your favour.

Yours faithfully,

Letter No. 153. Reply to Inquiry regarding facilities offered.

Calcutta, 15th Sept., 19 .

D. N. Bose, Esqr.,  
Calcutta.

Dear Sir,

We thank you for your inquiry of yesterday's date. We appreciate your interest in the various services rendered by us, and have pleasure to outline some of them.

Besides the usual business of receiving deposits in the various accounts—Current, Savings and Fixed—and lending money in the shape of loans, overdrafts, Cash Credits, etc., we undertake a number of agency services on behalf of our customers, like collection of bills, coupons, dividend warrants, etc. We have also arrangements for safe custody of valuables of our customers in small lockers in underground vaults.

You may also be interested in a special department of this bank, started recently, where we entertain proposals for the bank's appointment as trustees, executor of wills, etc. In view of the impersonal and impartial way in which a company is capable of working in these capacities and the continuity of arrangement that it guarantees, this department will prove to be useful and popular.

We are confident that you will be interested in some of the services mentioned above and specify them in your reply to enable us to supply detailed information regarding them.

Yours faithfully,

Letter No. 154. Letter to a customer notifying him that his account is overdrawn.

Calcutta, the 14th March, 194 .

P. Ghosh, Esq.,  
Calcutta.

Dear Sir,

I would draw your attention to the fact that by payment to-day of a cheque for Rs. 530/-, your account has been overdrawn to the extent of Rs. 124/-.

In the the absence of any previous arrangement for overdraft, the bank does not undertake to honour cheques drawn in excess of the balance standing to the credit of an account. Should you, therefore, require to overdraw your account in future, I would request you to make an arrangement with us to this effect. By so doing, you will not only preclude

any possibility of your cheques being dishonoured by reason of insufficiency of funds, but also materially assist the work of the bank.

Yours faithfully,  
S. Choudhury,  
Manager.

**Letter No. 155.** Letter to a customer whose cheque, drawn in excess of credit balance, has been paid in reliance of his deposit account, asking him to help adjust the accounts.

Calcutta, 15th September, 194

P. N. Soni, Esqr.,  
Calcutta.

Dear Sir,

We have to inform you that we have to-day paid cheque No. AB 5403 dated 14th September, 1945, in favour of S. Reddy, for Rs. 230. This has brought your current account, at the close of to-day's business, in debit Rs. 45-8-0. The balance of your deposit account stands to-day at Rs. 1,325-0-0 plus the interest accrued, and we claim to exercise a lien on this account to cover the debit balance on your current account. We may, as well, mention here that this is not the first occasion when your current account has fallen into debit; it occurred twice in course of the last six months, and we allowed the overdrafts without claiming any interest.

We request you, now either to put your current account in credit by making adequate payment or authorise us to credit such a sum from your deposit account. Failing this, we shall be compelled to charge you interest on the outstanding balance of your current account at the usual rate of 1 per cent. above Bank rate, minimum 5 p.c.

Yours faithfully,  
B. K. Roy,  
Manager.

**Letter No. 156.** Asking a Bank for a Circular Letter of Credit.

Calcutta, 10th Nov., 194 .

The Allahabad Bank Ltd.,  
Calcutta.

Dear Sirs,

I intend going on a tour by the end of this month and I shall be visiting Patna, Benares, Allahabad, Lucknow, Delhi and Dehradun. As I shall be in need of funds during this tour, I shall consider it a privilege if you will issue in my favour a Circular Letter of Credit up to a limit of Rs. 5,000/- only, to remain in force for 3 months from the date of issue.

This amount together with your charges may be debited to my Current Account No. 1.

Yours faithfully,  
T. N. Bhalla.

**Letter No. 157.** Bank supplies credit report.

Cacutta, 25th March, 194 .

The Manager,  
New Bank Ltd.,  
Lucknow.

Dear Sir,

We have your inquiry dated 20th March, and have pleasure to enclose our report.

Needless to state that the report is sent in the strictest confidence and without any liability on the part of this bank or any of its employees.

Enc. 1.

Yours faithfully,  
B. N. Ray.



## The Report

The Gupta Bank Ltd.,  
10, Chowringhee Road,  
Calcutta.

The opinion given below is not, and must not be taken as, a guarantee. It is strictly private and confidential, and is supplied by the Bank without prejudice and on the express conditions that the Bank and its employees are free from all liability for it, and that the name of our Bank shall not be disclosed in the event of our report being communicated by you to any of your customers.

## Opinion

Mr. R. N. Mathur & Co., 12, Canning Street, Calcutta, enjoys respect and confidence in the local market, and his financial position appears to be good.

## EXERCISES ON CHAPTER XXI

1. Write a suitable letter as from the manager of a bank informing a customer that his security to cover an overdraft has depreciated and asking him to provide additional security or to reduce the amount of the overdraft.
2. You have received an inquiry regarding the standing of one of your customers. Draft an unfavourable reply.
3. Write a tactful letter as from the manager of a bank to a lady customer whose financial position is believed to be good but who persists in overdrawing her account without making any previous arrangement. (C. U. 1939, '48).
4. Draft a letter on behalf of a Bank Manager, giving information to a customer as regards the facilities available in the Bank for the safe custody of valuables. (C. U. 1938).
5. The secretary of a limited company recently formed, writes to a Bank inquiring whether the account of the company would be accepted. Reply to the letter, stating what information should be supplied with regard to the constitution of the company and the operations on the account. (Institute of Bankers, Pt. II, 1924).
6. Mr. James Brown, a customer at the Weston Branch, has informed you that he wants to remit £100 to Mr. John White, who has no banking account, and who lives at Bostock where your bank has an office. In your reply explain by what methods the remittance may be made and

## CHAPTER XXII

### INSURANCE

The chief forms of Insurance with which a business man is concerned are—

- (A) Life,
- (B) Fire, and
- (C) Marine.

#### Life Insurance

Life Insurance (or Assurance) is a contract by which the assurer (*i.e.*, the Life Assurance Company) in consideration of the payment of a sum of money called *premium*, agrees to pay a specified sum on the occurrence of a stated event in the life of the assured. The event may be (1) death in which case the assurance is called "Whole Life", or (2) the attainment of a certain age or death if earlier, when it is called "Endowment" assurance. The contract is called a *Policy* which may participate in the profits of the company in which case the premium is a little higher than in a non-participating policy. The premium may be paid in one instalment or in equivalent annual, half-yearly or quarterly instalments during the life, or a stated period of it, of the assured. If the premium is not paid in time, the policy lapses, but it may be revived subject to the terms of the contract. After a policy has been in force for two years, it may be surrendered to the company for a sum of money called surrender value. After a policy has acquired a surrender value it may be paid-up, *i.e.*, the payment of premium will cease, but the company will pay, at the maturity of the policy, a sum of money which will bear the same proportion to the sum assured as the number of premiums paid bears to the number stipulated for in the policy. In case of need, loans can be had from the company on unencumbered policies .

## Life Insurance and the Business Man

"Apart altogether from life assurance as a provision for dependants \* \* \* life policies have definite uses in connection with businesses in a variety of ways. Very often if a man wants to borrow money, the risk that he may not live until he has repaid the loan is the most serious matter, and that is a risk which can be covered against by insurance. There are certainly cases where a business man could borrow, if one could be sure that he would live for a certain length of time. It may be that a person is borrowing on security of money coming to him under a contract, but the contract cannot be fulfilled by him if he dies. The insurance may cover the risk or the most serious part of the risk. Here the form of a life policy which will result in the payment of a specified sum if the borrower should die will provide a complete security for the loan.

"Very often life policies are considered a most desirable arrangement in a connection with partners. As a rule, on the death of a partner, his estate is entitled to receive fairly substantial sums of money from the surviving partner or partners. Until the surviving partner or partners can get a new partner to come in and take the place of the deceased, it may be that there is a great difficulty in raising the money without crippling the undertaking. To surmount this difficulty, it is not an uncommon arrangement for the partners to insure each other's lives, or for them jointly to arrange to effect an insurance under which a specified sum is payable to the survivor on the death of the other." (Stephenson: *Principles and Practice of Commerce*).

### Life Assurance Letters

The occasions for correspondence in Life Assurance can best be illustrated with reference to a particular instance. Let us suppose that X wants to get his life insured. He writes to the company he selects, asking for a copy of prospectus with rates and other informations, or obtains these from an agent of the company. X then chooses a type of assurance (say, endowment with profits for 20 years) and sends a *Proposal* to the company upon a printed form specially supplied for the purpose. The company

then gets X examined by a medical man, finds him fit and accepts the proposal. X then pays his premium and the company issues the *Policy*. After some time X fails to pay a premium in time and the policy lapses. He writes to the Company to have the policy revived and wants terms for it. The policy is revived, but X finds it difficult to continue it. He again writes to the company, this time with a view to surrendering the policy and is told that it will be against his interests to do so. He then wants to have it paid. Here again the company tells him that his interests will be better protected if he continues the policy by taking loan from the company against his policy. X applies for and with its help continues his policy. The policy matures and X sends in his claim which is met by the company. These are, in brief, the principal occasions for correspondence in life assurance. Letters from the company offering advice regarding selection of policy, requesting revival of lapsed policies, discouraging surrender of policies, etc., fall within the category of sales letters. Most insurance companies get these letters printed in type-script, as they are, more or less, stereotyped in character.

All letters in connection with life assurance must bear reference to Proposal No. or Policy No. as the case may be, and while remitting premium, the remitter should also state the name of the life assured, the due date of the premium and whether the premium is annual, half-yearly or quarterly. This will facilitate the crediting of the amount.

We give below a few letters to illustrate some of the occasions noted above.

Letter No. 158. Letter Enclosing Policy.

Calcutta, 5th January, 194 .

Surendranath Ghosh, Esq.,  
15, Cornwallis Street.  
Calcutta.

Dear Sir,

*Policy No. 611004—Own Life.*

I have great pleasure in sending you herewith your policy the number of which is noted above.

I feel sure that in assuring your life with this company you have been actuated not only by the necessity of Life Assurance as a means of providing for the future, but also by the attractive features and unique achievements of this company.

I, therefore, hope that you will help this company as also your relations, friends and acquaintances, by persuading them to follow your example, not only in effecting life assurance, but also in availing of the services of this company. You will thus be helping many in providing for their future, and also enable the company to declare, for the policyholders, a progressive bonus in which you yourself will also participate.

I trust that you will look upon the policy sent to you as a valuable document worth maintaining, and whenever possible, worth supplementing by further assurance. Please carefully scrutinise the policy, and should you detect any error or omission please inform me at once for rectification.

I am also sending you a copy of our latest prospectus, which, I believe, will repay a careful study.

Thanking you for your valued co-operation,

I remain,  
Dear Sir,  
Yours faithfully,  
B. N. Sen,  
General Secretary.

Letter No. 159. Inquiry. Surrender Value.

Calcutta, 21st March, 194 .

The Secretary,  
New India Insurance Co., Ltd.,  
Calcutta.

Dear Sir,

*Policy No. 611004—Own Life.*

As I find it rather difficult to continue the above policy, I am thinking of surrendering it for cash value.

I should, therefore, be glad if you would let me know the amount I may get by surrendering my policy now.

Yours faithfully,  
Surendranath Ghosh.

Letter No. 160. Discouraging Surrender of Policy.

Calcutta, 24th March, 194 .

Surendranath Ghosh. Esq.,  
Calcutta.

Dear Sir,

*Policy No. 611004—Own Life.*

We have your letter dated 21st March. We are sorry to learn that you find it difficult to continue your above policy and so intend to surrender it.

The surrender value of your policy at present amounts to Rs. 1,140/- only. But the surrender of a policy is never to the interests of a policy holder. As you will find from the figure quoted, the policy holder gets less than what he paid, and what is more, he deprives his dependants from the provision he made for them. Of course, he may think of buying another policy when his difficulties are over. But leaving aside the enhanced rate of premium that it would involve, who knows whether he would be found medically fit then? Our experience in such cases has been far from happy, and that is why we always discourage it.

We presume that your difficulties are merely of a temporary nature. You are entitled to a loan of 80% of the surrender value. We suggest, therefore, that you keep your policy in force with a loan from the Company.

Should you decide this course, please complete the enclosed Loan Application form and send it along with your policy to us.

Yours faithfully,  
Secretary.

Letter No. 161. Inquiry for Loan.

Calcutta, 9th April, 194....

The Secretary,  
New Indian Insurance Co. Ltd.,  
Calcutta.

Dear Sir,

*Policy No. 611004—Own Life*

I thank you for your letter dated 24th March intimating the present surrender value of my above policy and also pointing out the advisability of continuing the policy, with loan if necessary.

I appreciate your advice, and accordingly, I am sending to-day per Regd. Post the Loan Application form duly completed along with my policy.

Please grant the loan as early as possible.

Yours faithfully,  
Surendranath Ghosh.

### (B) Fire Insurance.

Unlike Life Assurance, the contract of fire Insurance is a contract of indemnity, that is to say, a contract which indemnifies or makes good the actual monetary loss which may be sustained by the insured through the occurrence of the risk insured against, always provided of course, that the sum insured is adequate for the risk.

Fire Insurance is indemnity pure and simple. Under a Marine policy, which is also an indemnity, the insured may not only recover the value of the goods damaged or lost, but he may actually make a profit on them, just as if they had been sold in the normal course of transaction. But Fire Insurance precludes all profits.

Since indemnity and nothing else is the basis of Fire Insurance, it follows that it is useless for the property owner to over-insure and that under-insurance provides only a partial indemnificati

## Fire Insurance Offices.

Fire Offices are of two kinds, Tariff and Non-Tariff. "Tariff Offices are those companies who have entered into an agreement to co-ordinate their loss experience in all classes of risks, so that fair and proper rates for the risks involved can be charged to the public." Tariff offices generally work on a ten years loss experience. Non-tariff offices assess each risk on its merits and mostly obtain business at discount off the tariff rates.

In this connection we may say a few words about Lloyd's,—world famous in Marine and Fire Insurance. From an insurance point of view, Lloyd's is neither a company nor a corporation. To quote a pamphlet issued by a firm of Lloyd's Brokers, "It should be clearly understood that it is not the corporation (of Lloyd's) itself, but its members, who carry on the business—in other words, it is not the corporation of Lloyd's or the Committee of Lloyd's which undertakes risks or pay losses, but individual underwriters, or groups of underwriters, who collectively form the corporation. The Corporation of Lloyd's and its Committee know no more of the actual business which is conducted by the members of the Corporation than the Committee of the Stock Exchange knows of the transactions between individual stock brokers and their clients." Lloyd's operate on non-tariff lines and accept business at a discount of 10, 15 or 20% off the tariff rates.

The term underwriter is used to describe Lloyd's members who sign their names at the bottom of the contract. It is now, however, applied to any company or individual who executes a policy of insurance in all branches of the business.

## Procedure

The trader or private individual who wants to have cover on his property has to fill up the proposal form supplied by the underwriters or furnish them with any information required. The underwriters will either quote a rate immediately or will cover the property provisionally, sometimes requiring a deposit on account of the premium.



## Kinds of Policies

Various forms of policies have been introduced by the underwriters in order to meet the demand of the commercial community. Of these, mention may be made of Specific, Average, Floating, Valued, Declaration and Maximum Value policies. A Specific Policy insures any one risk against a definite sum, irrespective of the value of the property insured. In an Average policy, the insured, in case of damage may recover the same proportion of the loss as the sum insured bears to the value of the property. A Floating Policy covers property in different buildings or localities and is taken out on goods lying at dock and other warehouses. The average clause always operates in these policies. These are also known as Floaters. A Declaration policy is intended to meet the requirements of merchants whose stocks are subject to considerable fluctuations. The Maximum Value policy is a modification of the previous form and is restricted to cotton trade. In a Valued policy, an expert valuation of the insured property is accepted by the underwriters beforehand, and this saves delay in admitting claim, in cases of total loss.

**Letter No. 162.** Request for Cover.

Calcutta, 16th March, 194....

The Fire Manager,  
New India Insurance Co. Ltd.,  
Calcutta.

Dear Sir,

Please insure me for Rs. 20,000/- at....per cent per annum on Stock and Fixtures in my warehouse at 15 Strand Road, against fire.

As I told your representative who called on me yesterday, your rate appears to be rather high, and if you can see your way to reduce it, I can consider a substantial increase of my cover.

Yours faithfully,  
B. N. Law.

Letter No. 163. Reply to Above.

Calcutta, 18th March, 194....

B. N. Law, Esqr.,  
Calcutta.

Dear Sir,

We thank you for your letter dated 16th March instructing us to cover you for Rs. 20,000/- at...per cent per annum on Stock and Fixtures in your warehouse at 15 Strand Road against fire.

The policy is being prepared and will reach you by the end of this week. In the meantime, we are, of course, holding you covered.

We are grateful for your offer of a larger amount at a reduced rate of premium. But the rate quoted to you was arrived at on the basis of fire experience of the locality during the last ten years, and we regret our inability to reduce it. You will notice that the rate is a general one, adopted by all the class I companies.

Yours faithfully,  
Fire Manager.

Letter No. 164. Advising Damage by Fire.

Calcutta, 13th September, 194....

The Fire Manager,  
New India Insurance Co. Ltd.,  
Calcutta.

Dear Sir,

*Fire Policy No. 3411.*

I regret to inform you that a fire broke out in my warehouse at 15 Strand Road last night, causing a damage of about Rs. 10,000/-. Fortunately, the books of accounts have not been damaged.

Please arrange for your representative to call at once and please let me know what particulars I am required to furnish when making my claim.

Yours faithfully,  
B. N. Law.

Letter No. 165. Reply to Above.

Calcutta, 14th September, 194....

B. N. Law, Esqr.,  
Calcutta.

Dear Sir.

*Fire Policy No. 3411.*

I have your letter dated 13th September, advising a loss by fire.

Please make out your claim on the form enclosed and return it to us and it will receive our immediate attention.

Yours faithfully,  
Fire Manager.

### (C) Marine Insurance

Marine Insurance is perhaps the oldest form of insurance. It is a contract of indemnity by which the underwriter, in return for a premium, agrees to compensate the owner of a ship or cargo for complete or partial loss or destruction at sea. In fire Insurance, the indemnity is limited to actual loss sustained; in marine insurance it is ordinarily based upon values agreed upon in advance irrespective of the actual value at risk.

### Marine Insurance and the Business Man

Marine Insurance is probably of the greatest importance to the business man. Due to the variations in the productivity of different countries and the temperament of their inhabitants, there is a steady demand for goods produced in another country. The trader sending his goods by sea would be hard hit if the shipment

were lost; it may even mean his ruin. Marine insurance gives him protection against this contingency by undertaking to compensate in the case of damage or loss.

There is another valuable service rendered by the marine policy. In sea transit, the trader is often in need of the help of the banker. But no banker will finance a transaction unless the goods are insured.

### Classes of Policies

There are different kinds of marine policies known by different names.

- (a) *Voyage Policy* in which goods are insured for transit from one place to another (*i.e.*, for a voyage). But, sometimes hulls (*i.e.*, steamers) are also covered by voyage policies.
- (b) *Time Policy* in which hulls are insured for a specified period of time not exceeding twelve months.
- (c) *Valued Policy* in which an agreed value (not necessarily the natural value) of the property insured is definitely stated.
- (d) *Open or Unvalued Policy*, in which the value of the subject matter is left to be provided at the time of loss. This type has almost become extinct and the term Open Policy is now usually given to a Floating Policy.
- (e) *Named Policy* in which the name of the vessel on which the risk is taken is stated.
- (f) *Floating Policy* in which no name of any particular vessel appears, and it is stated to apply to any ship or ships, steamer or steamers, to be declared for a specified voyage. A regular shipper of goods, instead of taking a policy every time a shipment is made, would take a floating policy for a large amount. Then, as each shipment is made, he will

declare to the broker the value of the shipment and other necessary particulars, and the amount of the declaration is written off the policy. This will continue till the amount insured will be exhausted when a fresh floating policy will be taken out.

## Claims

Claims may be made for total loss or for partial loss. Total loss may be either actual or constructive. A ship that sinks, the cargo which is so damaged by sea water as to become valueless are instances of actual total loss. A ship that is so damaged that the cost of repairing would exceed the value and is therefore abandoned is an instance of constructive total loss. In insurance against partial loss, the policy may be on Particular Average (P.A.) conditions, or General Average (G.A.) conditions. Sometimes extraordinary sacrifices, such as cutting away masts in a storm, flooding the hold to extinguish a fire, jettisoning cargo to lighten a ship &c. have to be made to avert danger threatening a ship. Sometimes an expense may be incurred such as towage when a perishable cargo has to be landed quickly from a disabled ship. The sacrifice or expense is for general good and all those who benefit pay *pro rata* for the loss suffered by the injured party. Such contribution is called General Average.\* When the loss sustained affect a particular interest, *e.g.*, accidental damage to goods by sea-water, the loss must be borne by the particular person interested and is termed Particular Average. Marine insurance is frequently effected Free of Average (F.A.), Free of All Average (F.A.A.) and Free of Particular Average (F.P.A.). In the first and second, the insurer does not guarantee the insured against loss of the nature of Average, and in the third against loss from Particular Average.

We shall now consider correspondence on the subject.

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\* Should the contributors be insured on General Average conditions, they would recover this contribution from their insurers.

Letter No. 166. Request for Cover.

Calcutta, 2nd January, 194 .

The Marine Manager,  
Free India Insurance Co., Ltd.,  
Calcutta.

Dear Sir,

We should be glad if you would cover us to the extent of Rs. 30,000|- at . . . p.c. on the cotton piece goods in transit between . . . and . . . per S.S. "Cauvery".

The risk will attach immediately the goods leave our possession on 12th January, and will include war risks also.

Yours faithfully,  
P. M. Das & Co.

Letter No. 167. Cover Granted.

Messrs. P. M. Das & Co.,  
Calcutta.

Dear Sirs,

We thank you for your letter dated 2nd January, instructing us to cover you for Rs. 30,000|- at . . . p.c. on cotton piece goods in transit between . . . and . . . per S.S. "Cauvery."

The policy is being prepared and will be forwarded to you by the end of this week.

Yours faithfully,  
S. Ray,  
Marine Manager.

Letter No. 168. Inquiry for Details.

Calcutta, 20th December, 194 .

Messrs. P. M. Das & Co.,  
Calcutta.

Dear Sirs,

We thank you for your letter dated 28th December, offering us an opportunity of quoting for the insurance of your shipments during the next twelve months.

Before we approach the underwriters for quotations, we should be glad if you would furnish us with the following particulars which will help us to determine the rates.

- (1) Average size of shipments.
- (2) Principal ports of destination.
- (3) Previous experience of claims made during the last three years.

The rates we shall quote will be either from Lloyd's underwriters or from some other first class company and we are confident that we shall be able to show you some improvement on your present rates.

Yours faithfully,  
Swami & Co.

Letter No. 169. Inquiry for Marine Insurance Floating Policy.

Dear Sirs,

Please quote us, per return, your lowest rate for a Floating Policy for Rs. 20,000/-, A.A.R.\* on cotton goods, per.....and.....steamers from.....or.....to  
....or.....

Yours faithfully,  
Santaram, Mohanlall & Co.

Letter No. 170. Inquiry. Another form.

Calcutta, 10th January, 194 .

Dear Sirs,

As we intend making regular shipments of tinned provisions to Australia, we should be glad to hear whether you are prepared to issue an Open Policy for Rs. 20,000/- in respect of shipments by approved steamers.

The goods will be packed and despatched by van from our factory at Dum Dum to K. G. Docks.

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\* Against all risks.

We should be glad if you would kindly quote your rates and also outline the working of such a policy.

Yours faithfully,  
P. M. Das & Co.

Letter No. 171. Reply Quoting Rates.

Calcutta, 12th January, 194 . .

Dear Sirs,

We thank you for your inquiry dated 10th January, regarding an Open Policy for shipments of tinned provisions from Calcutta to Australia and are glad to inform you that we are prepared to grant cover at the following rates.

From Calcutta to Sydney	.....
Melbourne	.....
Brisbane	.....
Adelaide	.....
Perth	.....
Darwin	.....

and an extra . . . . per cent for the land risk from Dum-Dum to K. G. Docks. To commence with, the policy will be rated at . . . . . per cent., and any discrepancy between the amount paid on the issue of the policy and that due on its expiry may be adjusted later on.

You will be supplied with the original of the Policy together with Declaration form, and every time a shipment is made you will be required to complete and sign a copy of the Declaration and send it to us. These details will then be endorsed on the duplicate policy retained in this office. The duplicate will be returned to you when the policy expires and any surplus can be carried forward to a new policy.

The policy will cover all average claims, but owing to the unsettled conditions now prevailing, we should be compelled to include the f. c. s. clause which would exclude war risks.



We trust that you will find the facilities offered satisfactory in every way, and we expect to be favoured with your confidence.

Yours faithfully,

**Letter No. 172.** Order to Prepare Floating Policy.

Dear Sirs,

We thank you for your quotations for a Floating Policy as detailed in our letter dated 10th January.

We now request you to prepare the policy immediately and send us the cover note and account of charges as soon as possible.

Yours faithfully,  
P. M. Das & Co.

**Letter No. 173.** Declaration off Policy.

Dear Sirs,

*Floating Policy No. 16674.*

We have to-day shipped the following goods, values as stated, which please declare off Policy.

B. N. & Co., Sydney, 135/146	12 Cases tinned food in wood and zinc, per S. S. <i>Atlantic</i> , to Sydney. Value Rs. 1,500/-.
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P. L. & Co., Perth 147/155	9 cases tinned food in wood and oil per S. S. <i>Maria</i> , to Perth. Value Rs. 1,200/-.
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These leave undeclared balance of Rs. 17,300/- which please confirm.

N.B.—The declarations are usually made out on printed forms with wordings as above. The confirmations are also made out on printed forms.

**Letter No. 174.** Policy fully declared. New Policy Prepared.

Dear Sirs,

We thank you for your letter dated 17th August, and have accordingly transferred your undeclared balance of

Rs. 730/- to your new policy for Rs. 20,000/- which will be ready in a day or two. We enclose cover note for the new policy as also an account of charges.

The old policy No. 16674 is cancelled and is enclosed.

Yours faithfully,

Letter No. 175. Making a claim.

Calcutta, 19th May, 194 .

High Seas Insurance Co.,  
Sydney.

Dear Sirs,

Claim under Pol. No. K4414 (Declaration 15).

We regret to inform you that 12 cases of the above shipment insured under the above policy, per S.S. *Jalaketu*, from Sydney to Calcutta, suffered damage by heavy seas and their contents have become unfit for the market.

We have got the damage surveyed by your authorised surveyor, Mr. R. Khemka whose report we enclose.

We now request you to send us a cheque in settlement of our claim as detailed below:—

	Rs.	A.	P.
Value of 12 cases damaged by sea-water and contents rendered useless ..	600	0	0
Add 10% insurance & imaginary profit ..	60	0	0
Surveyor's fees .. .. .	25	0	0
Total .. .. .	685	0	0

The original policy and the supplier's Invoice are also enclosed.

Yours faithfully,

Letter No. 176. Refusal to Entertain Claim.

Dear Sirs,

*Sugars Claim—Policy 17452 (Declaration 12).*

We have your letter dated 19th July, regarding the damage to this shipment.

This damage, according to your report, was caused on the afternoon of 12th July, by heavy seas, off Sydney, while the shipment was being taken ashore in small boats from a steamer some distance from shore. The Meteorological Report, however, states that the sea was dead calm on the day in question.

In the circumstances, we regret we are unable to entertain the claim so long as you do not reconcile the conflicting statements.

Yours faithfully,

### EXERCISES ON CHAPTER XXII

1. Messrs Rana & Co., transfer their stock of yarn, covered by a fire policy, from their godown at 30, Canning Street, Calcutta to their warehouse at 15, Strand Road, Calcutta, and inform the insurance company. Draft the letter.
2. Reply as from the insurance company stating that this transfer enables them to reduce the rate by annas eight per cent from the date of transfer. The endorsement slip will follow.
3. Write a letter to your insurers notifying them of a small fire at your business premises. Ask them to arrange for an early inspection to enable you to put things to rights as soon as possible.
4. A consignment of cotton, shipped from Port Said to Bombay, per s.s. *Sultana*, by Messrs Karimbhoy & Co., Cairo, on your behalf, suffered damage during transit. Submit a claim for the damage giving every relevant detail and supply all necessary documents.
5. Instruct your insurance brokers to insure a consignment of cotton from Bombay to Liverpool, for the amount of Rs. 75,000/- at 3%.
6. The brokers reply that insurance is impossible at the rates specified, and request you to accept  $4\frac{1}{2}\%$  offered by the Lloyd's.
7. Reply giving instruction to insure at  $4\frac{1}{2}\%$  with Lloyd's and to send you the account.
8. The brokers inform that the insurance has been effected with the Lloyd's at premiums already mentioned. They enclose the statement of account and ask for remittance.
9. Write a letter to a firm of insurance brokers reporting the loss of a part of a consignment insured by them, and requesting them to put forward a claim on the marine underwriters. (*C. I. S. Inter.*).

## CHAPTER XXIII

### FORWARDING GOODS BY RAIL

In transport of goods by land, the Railways play the most important role. In some cases their services are indispensable. A Railway company accepts goods from any station on its system for delivery to any other station, whether on its own system or on any other connected with it. Where the delivery involves the use of more than one railway system, the contracting company is responsible for the safe delivery of the goods; but it may require a consignor to relieve it of liability as soon as the goods have passed out of its hands.

The rates which a railway company charges for the transport vary according to—

- (a) Class of merchandise,
- (b) weight or measurement,
- (c) nature of traffic (*i.e.*, goods or passenger).
- (d) nature of risk (*i.e.*, company's or owner's).

If goods are carried at the owner's risk, the railway company is liable only for the wilful misconduct of its servants, the onus of proof being on the owner of the goods. Claims of this type are difficult to establish. When, however, goods are carried at the company's risk, the company incurs full liability for delay, loss, damage etc., except when caused by—

- (a) Act of God, *e.g.*, a tornado;
- (b) The King's Enemies, *i.e.*, the forces of hostile govt.;
- (c) Inherent vice, *e.g.*, the disposition of perishable articles to decay;
- (d) Negligence of the consignor, *e.g.*, defective packing.

Goods intended for transport are first securely packed. Each package is then marked and numbered for identification and the place of destination is also stated on it. In cases of transport within the country each package is also adequately

addressed. When careful handling of the packages is considered necessary, they are usually marked "With Care," "This Side Up", "Breakable", etc. The packages are then delivered to the railway company and the consignor is required to fill in a printed form known as the Consignment Note. The Consignment Note is a request to the railway company to receive the goods specified for delivery to the person named on the stated terms and conditions. The Consignment Note is the basis of the contract which is completed when the railway company accepts the packages together with the consignment note. The company gives a receipt the number and date of which should be quoted in all communications with the railway company in connection with the goods.

So far there is hardly any scope for correspondence. Correspondence mainly arises out of irregularity in transport, such as damage, shortage, loss, delay and the like. Such claims should be made as early as possible and the proper person to put forward the claim is the one who can be construed as the principal of the carrier. Where the buyer instructs the seller to forward the goods by railway, the railway is construed as the agent of the buyer. But if there is no such instruction, the railway will be considered as acting for the seller. In drafting these letters, the general principles discussed in the chapter on Claims, Complaints and Adjustments should be followed.

We shall now attempt a few letters.

**Letter No. 177. Delay in Delivery.**

Calcutta, 15th August, 194 .

The Goods Manager,  
E. I. Railway.

Dear Sir,

We regret to inform you that a consignment of a package of piece goods covered by your Receipt No. C537 addressed to Messrs. Guha & Co., Allahabad, has not reached the destination yet.

The package was booked from your Russa Road Office on 22nd July last, and as usual we expected that it would be delivered within a week.

As the goods are intended for the ensuing Puja Sale we would request you to make every effort to expedite delivery.

Yours faithfully,  
B. Das & Sons.

Letter No. 178. Contents found short.

Allahabad, 20th August, 194 .

B. Das & Sons,  
Calcutta.

Dear Sirs,

We received yesterday the piece goods dispatched by you on 22nd July, in execution of our Order No. 521/43, but we are sorry to have to state that the package reached us in a very unsatisfactory condition. The package appeared to have been tampered with and this we stated in our receipt to the company.

On examination of the contents, we find that though your invoice shows 450 pieces, the package contains only 428 pieces.

As the Puja Sale has already commenced we must request you to send us the 22 pieces detailed in the enclosed list as early as possible.

Should you decide to make a claim to the Railway Company, we shall be glad to give you all the assistance you may require.

Yours faithfully,  
Guha & Co.

Letter No. 179. Reply to Above.

Calcutta, 24th August, 194 .

Guha & Co.,  
Allahabad,

Dear Sirs,

We have your letter dated 20th August and are sorry to learn that you received 22 pieces less than the invoiced figure.

We hold a clean receipt from the Railway Company which proves that the pilferage of which you complain must have taken place after the package was handed over to the Railway Company. As we dispatched the package by the E. I. R. according to your instructions, we disclaim all liability in the matter. But should you take up the matter with the Railway company, you may count upon our helping you in every possible way.

We are dispatching to-day the 22 pieces detailed in your order form No. 533/43, and as usual we are debiting your account for the amount in the invoice.

Yours faithfully,  
B. Das & Co.

Letter No. 180. Letter asking for Damage.

Allahabad, 29th August, 194 .

The Goods Manager,  
E. I. Railway.

Dear Sir,

We regret to inform you that the goods covered by your consignment receipt No. C537 booked at your Russa Road Office was received here in a most unsatisfactory condition. The package showed clear indication of having been tampered with and we stated it in the receipt given by us.

As the goods were sent under Company's Risk, we hold you responsible for the loss detailed in the enclosed list.

We shall now appreciate your sending us Rs. 92-8-0 being the total amount of loss sustained by us.

We attach the invoice of the consignment in support of the assessment.

Yours faithfully,  
Guha & Co.

### EXERCISES ON CHAPTER XXIII

1. A consignment of medicine, booked by Bengal Chemical, Calcutta, at Railway's Risk, to Medical Stores, Purnea, reached the destination in a most unsatisfactory condition. On request, open delivery was granted and 120 phials were found missing. This was duly entered in the Railway Delivery Book. The Medical Stores now submit a claim. Draft the letter.
2. A consignment of glasswares has reached you in a very damaged condition. Write to the railway authorities pointing out that the nature of the consignment was clearly stated and the boxes were all properly labelled. Submit your claim for the damage, and enclose necessary documents.
3. Messrs Ramchand & Co., receive a damaged parcel by railway, and write to the railway company claiming damage. The company replies refusing to accept liability. Ramchand & Co., hint at legal proceedings. The railway company now agrees to pay a smaller amount in full settlement. Draw up the correspondence.
4. Write to E. I. Railway, Calcutta, advising them that a consignment of nuts and bolts for Messrs Mehta & Co., Allahabad has not yet been delivered, one month after despatch. Request them to communicate with the consignees direct and send a copy of the letter to you.
5. Draft an application to the railway authorities showing reasons why a coal mine with which you are supposed to be connected should be given priority in the matter of the supply of wagons, facilities in which direction have been seriously curtailed under war conditions.

(C. U. 1943).



## CHAPTER XXIV

### EXPORT AND IMPORT

No country in the world is self-supporting. What is produced in one country may not be produced in another. Add to this the varying tastes and temperaments of people in different countries. These account for the constant flow of goods from one country to another.

The export of merchandise is generally undertaken by—

- (a) Manufacturer or Wholesale Merchant exporting his own goods to buyer or branch houses abroad.
- (b) Commission Agents acting as buyers for foreign merchants. Their function is to receive orders or Indents from foreign buyers, assemble the different items, and ship them under their own invoice.

Indents are either closed or open. A closed indent is an order to buy certain specified goods from a specified firm and ship them according to instructions. An open indent specifies the goods but leaves the source of supply to the discretion of the agents.

- (c) Forwarding Agents who receive, pack and forward goods sent to them by different traders in the country. They specialise in the details of the export trade, and manufacturers and merchants often find it profitable to leave to them the arrangement for the transport of their goods. Very often, by collecting various consignments and shipping them together, the forwarding agents obtain better terms for each exporter than could have been obtained by them individually.

The transactions may open either with the receipt of an Indent from the importer, or the exporter may send a shipment

on consignment to his selling agent abroad. Let us first suppose that an indent is received by a Commission Agent. The agent will first sort the indent, purchase the goods and ship them direct or through Forwarding Agents. The indent usually contains instruction for packing, marking, numbering, port of shipment, name of steamer, latest date of shipment, the manner in which payment will be made, freight is to be charged and insurance effected.

The actual shipment will proceed thus—

- (1) The goods are packed, marked, numbered. Their size, shape and weight are then taken and these are communicated to the Shipping Company and the freight rate is obtained.
- (2) The date and port of the sailing vessel is ascertained from the lists published by the shipping lines, and the goods are sent to the dock or vessel with a "Shipping Note" which contains the number and description of the packages, their contents and the marks and numbers by which they are to be identified. The dock authorities or Commanding officer of the vessel will sign the duplicate shipping note and give it as receipt.
- (3) Bills of Lading (Bs/L) will then be obtained from the shipping company or a stationer, and will be filled in by the shipper and sent to the shipping company for signature. They are generally made out in quadruplicate, to the consignees when they are perfectly trustworthy or "to order" in which case they require endorsement. The B/L is the official acknowledgment of the Shipping Company that they have received the goods into their custody for transport, and that they undertake to deliver them, on conditions specified in the bill, at the place stated in the bill and to the person named or else "to order". The Captain retains one copy and the

other three are for the shipping company who will make out a bill for freight (called freight note) on payment of which the Bs/L will be delivered to the shipper.

- (4) Insurance will now be arranged.
- (5) The invoices will now be prepared.
- (6) The B/L, the invoice, the insurance policy or certificate of insurance are then sent to the importer or to a banker to deliver them to the importer on payment or acceptance of a draft as arranged.

Before the goods reach their port of destination, the importer receives the B/L and other documents or an Advice Note in which the goods are specified, the name and selling date of the carrying vessel stated, and the manner of payment noted. If the documents are with the bank, the importer will secure them from the banker and get possession of the goods after paying custom duties and dock charges. He may also entrust the unloading of the goods and taking them through the docks to a clearing agent. When the goods are in his possession, the importer may dispose of them in a variety of ways—

- (1) tranship a portion to wholesale dealers,
- (2) sell a portion to wholesale dealers,
- (3) sell a portion through brokers.

When, however, the transaction opens with the exporter sending goods on consignment to his selling agent abroad, the Bs/L and other documents are sent direct to the consignee. When the goods are in his possession the selling agent (importer) will be in touch with broker and get the goods sold. He will then prepare a statement called Account Sales showing the gross proceeds of the goods. From this is deducted the importer's expenses and commission. The net amount is then placed to the credit of the exporter in the importing centre or sent to him by means of a banker's draft.

We shall now attempt a few of the letters involved in the above transactions. It should be noted that ordinary transport

transactions consist almost entirely of filling out printed forms.  
Letter No. 181. Letter Covering Indent.

Post Box 5002,  
Hong Kong, 2nd Feb., 194 .

Messrs. Ray Brothers Ltd.,  
100, Harrison Road,  
Calcutta.

Dear Sirs,

We enclose an Indent No. 57 for 500 pieces of Moorshidabad Silk Sarees,  $5\frac{1}{2} \times 48$ " each in colourful print and should be glad if you would effect shipment by an early steamer, preferably by S.S. *Maria* clearing from Calcutta on 12th April.

The quality of the goods must be high and the print attractive, but the total cost should not exceed Rs. 20,000/-.

Please attend to insurance yourselves and draw on us through our bankers, the Hong Kong and Shanghai Banking Corporation.

Yours faithfully,  
Mohanlal, Surajmul & Co.

Enc.—1.

Letter No. 182. Acknowledging Receipt of Indent.

Calcutta, 12th March, 194 .

Messrs. Mohanal Surajmal & Co.,  
Post Box No. 5002, Hongkong.

Dear Sirs,

We thank you for your letter dated 2nd February, enclosing your Indent No. 57.

We have carefully noted your instructions and hope to ship the goods per S. S. *Maria* as desired.

Yours faithfully,  
Roy Brothers Ltd.

**Letter No. 183.** Asking for Quotation.

Calcutta, 12th March, 194 .

Indian Silk House.

Calcutta.

Dear Sirs,

We have received an order for 500 pieces of Moorshidabad Silk Sarees in colourful print, size  $5\frac{1}{2} \times 48$ " from one of our valued Chinese customers. We are, therefore, anxious to know whether you can supply the goods.

As price-limits have been fixed, we must request you to quote really competitive prices. Perhaps you would be good enough to send samples to enable us to ascertain the quality of texture and design.

Yours faithfully,  
Roy Brothers Ltd.

*Note*—A similar inquiry would be sent to several other firms.

**Letter No. 184.** Quotation Given.

Calcutta, 15th March, 194 .

Messrs. Ray Brothers Ltd.,  
Calcutta.

Dear Sirs,

We thank you for your inquiry dated 12th March. We give below our prices and enclose samples as desired.

No. 1	..	Rs. 55/-	per piece	Size $5\frac{1}{2} \times 48$ "
No. 2	..	" 45/-	"	" "
No. 3	..	" 32/-	"	" "
No. 4	..	" 28/-	"	" "
No. 5	..	" 22/-	"	" "
No. 6	..	" 20/-	"	" "

It is the size of the order that enables us to quote these exceptional low prices which should not, however, be regarded as standing quotation for general orders.

We expect that the prices will be found favourable and order follow.

Yours faithfully,  
Indian Silk House.

*Note.*—Quotations would come from other firms also.

Letter 185. Acceptance and Order.

Calcutta 19th March, 194 .

Indian Silk House,  
Calcutta.

Dear Sirs,

We thank you for your quotation dated 15th March and for the samples you so kindly enclosed.

We enclose our Order No. 215 for 500 pieces from the samples Nos. 1-3. As we expect more business from our customer abroad, we must ask you to give special attention to the execution of this order.

We should be glad if you would forward the goods by the 27th of March.

Yours faithfully,  
Ray Brothers Ltd.

Enc. 1.

Letter No. 186. Inquiry of Freight.

Calcutta, 2nd April, 194 .

Dear Sirs,

We should be glad if you would quote rate for two wooden cases, size . . . weight . . . each to be shipped to Hong Kong per S.S. *Maria* clearing on the 12th April.

Yours faithfully,  
Ray Brothers Ltd.

Letter No. 187. Advice to Banker.

Calcutta, 12th April, 194 .

Hongkong and Shanghai Banking Corpn.

Hongkong,

Dear Sirs,

We are sending herewith our Sight Draft No. 322 on Mohanlal Surajmal & Co., of your city for Rs. 19,200/- together with B/L, Invoice and Insurance policy covering both Marine and War risk.

Please deliver the documents on payment only and remit us a cheque for the amount of our draft, drawee paying all charges.

Yours faithfully,  
Ray Brothers Ltd.

Letter No. 188. Advice to Customer.

Calcutta, 15th March, 194 .

Messrs. Mohanlal, Surajmal & Co.,

Hong Kong.

Dear Sirs,

We enclose a copy of Invoice for shipment of 500 pieces Moorshidabad Silk Sarees per S.S. *Maria* in execution of your order dated 2nd February.

According to your instructions, we have drawn on you at sight for Rs. 19,200/- being the amount of the Invoice and asked the Hongkong and Shanghai Banking Corporation, Hongkong to deliver documents on payment.

We trust that the shipment will prove thoroughly satisfactory to you and look forward to obtaining your permanent agency in India.

Yours faithfully,  
Ray Brothers Ltd.

Letter No. 189. Advice of Shipment.

Calcutta, 15th March, 194 .

Messrs. Wilson & Co.,  
London.

Dear Sirs,

We enclose B/L and Insurance Policy for a consignment of brassware per S.S. *Sultana* which left Calcutta yesterday.

The articles have been specially designed for the London market and we hope you will make every effort to sell them at remunerative prices. For insurance purposes the consignment has been assessed at . . .

We should be glad if you would credit the proceeds to our account at the Midland Bank, London, after deducting your usual commission of 10%.

We trust the shipment will reach you in perfect condition and the clearing will present no difficulty.

Yours faithfully,  
Great Indian Trading Co.

Enc. 2.

Letter No. 190. Acknowledging Receipt.

London, 4th May, 194 .

Great India Trading Co.  
Calcutta.

Dear Sirs,

We have pleasure to state that we have cleared the consignment per S.S. *Sultana*. It has arrived in perfect condition, and in view of the high quality of the wares we do not anticipate much difficulty in disposing of them.

We have noted your instructions with regard to the proceeds. The consignment is now in the hands of our brokers who will place it on market as soon as possible.

Yours faithfully,  
Wilson & Co.



**Letter No. 191. Advice of Sale.**

London, 14th May, 194 .

Messrs. Wilson & Co.,  
London.

Dear Sirs,

We are glad to state that the consignment of brassware entrusted to our care has fetched the very attractive figure of . . . . for which amount we enclose our cheque on People's Bank, London.

We trust you will be satisfied with the result of this transaction and we look forward to obtaining further commissions from you.

Please credit our account with £ . . . being the amount of our commission.

Yours faithfully,

Enc.—Cheque.

**Letter No. 192. Advice of Sale.**

London, 20th May, 194 .

Great India Trading Co.,  
Calcutta.

Dear Sirs,

We have pleasure to state that your consignment per *S.S. Sultana* has realised the price of . . . . which, we believe, will prove quite satisfactory to you.

After deducting our commissions at 10% there remains a balance of £ . . . . which, according to your instructions, we have placed to your credit at the Midland Bank Ltd., London.

We trust that you will appreciate our efforts on your behalf and entrust us with further consignments.

Yours faithfully,  
Wilson & Co.

## EXERCISES ON CHAPTER XXIV

1. Write a letter to a shipping agent enquiring about the freight on goods to be sent from Calcutta to London. Give full particulars of the goods.
2. Ray & Co., College Square, Calcutta, place an indent with Messrs. Newman & Co., Export Agents, London, for 150 copies of Long's *English Literature*; published by Ginn & Co., London and 200 copies of Stephenson's *Principles and Practice of Commercial Correspondence*, published by Sir Isaac Pitman & Sons., London. Draw up the indent, giving instructions regarding packing, marking, numbering, insurance and the mode of payment.
3. Assume that you are carrying on trade in piece-goods in Bombay under the style of Krishna & Co. You have received quotations from Alfred & Co., Manchester, and want to place an order with them. Make out an indent giving shipping instructions and other necessary particulars. (*Rajputana Board, 1935, '40*).
4. Assume that you are trading at Delhi under the name and style of Birla Bros. & Co. and that you have received from Kilburn & Co., London, an order for 350 pieces 36" casement cloth which you have arranged to ship to London through Cox & Co., Calcutta, drawing on the consignees at 90 days' sight, through your bankers, the National Bank of India, Ltd., Calcutta, for the full value of the consignment (£10,000). Draft letters which you would write to (a) Kilburn & Co., (b) National Bank of India Ltd. (*Rajputana Board, 1939*).
5. Harrison & Co., Importers, London, send you an indent for 50 chests of Tea, "Darjeeling Orange Pekoe" with request to effect shipment with all possible speed. They add that they are prepared to accept drafts either direct or through the Midland Bank, London.
6. Advise Harrison & Co. that the shipment has been effected per s.s. *Jalaketu*, which sailed for London on 20th March, 194.... Enclose the invoice and add that owing to lack of knowledge as to the standing of the importers you have put the transaction on a D/P basis.
7. Send the documentary bill to Midland Bank instructing them to hand the documents in connection with the above transaction to Harrison & Co., when they have honoured the draft.

## CHAPTER XXV

### AGENCY

A great volume of the world's trade is conducted with the help of various middlemen. The merchant or manufacturer will seldom succeed in placing his goods to his customers merely by correspondence or advertisement. Personal contact with customers and a careful supervision over them are necessary in many cases. For this, regular calls may have to be made, samples submitted, and the advantages of commodities pointed out. For all this, the services of agents are essential. An Agent is one who has been appointed to act for another, and the person who appoints an agent to act for him is, in relation to that agent, the Principal.

Business abroad has been greatly facilitated by the agency system. The establishment of a branch is often a costly luxury unless, of course, the volume of business warrants such a course. It is not only manufacturers or merchants who have recognised the value of this system; insurance companies also have long realised its value and they invariably secure business through agents.

We generally come across the following forms of agency—

- (a) A Commission Agent who buys or sells goods on behalf of his principal at the best possible rates and terms and receives a commission at a specified rate.
- (b) A Broker who negotiates and makes contracts for the sale or purchase of goods for his principal and gets a commission called *Brokerage*.
- (c) A Commercial Traveller who acts as the representative of his principal, taking orders and making contracts of sale, collecting outstanding debts from customers, and keeping watch on the needs and tendencies of the customers. He is appointed on a salary plus an allowance. There are also travel-

lers on commission only who usually represent several concerns who are unable to employ a regular traveller on their staff. These travellers secure orders and transmit them to the principals. The collection is made directly by the firms.

Formerly, when the customer agreed to buy, the Traveller made a note of it and advised the principal. This led to all kinds of troubles. Now-a-days, an order is booked in the form of a contract and drawn up in triplicate. Printed forms are used for this purpose. The traveller fills in the form, the customer signs it. The customer gets one of the carbon copies, the Traveller retains the other, while the original is sent by the Traveller to his firm.

- (d) A Local Agent who represents one or more firms in a certain district, maintains close touch with customers, secures orders and transmits these to the principals. The goods are sent to the customer direct and collection is also made directly. He has also to render other services, such as ensuring acceptance of bills drawn on his customers, settlement of disputes, representation of his firm in legal action &c. He generally receives a certain per cent on the business introduced by him as his commission and also the actual expenses he incurs in postage, telegram, showroom &c., in the interest of the firm.

Sometimes an agent gives an undertaking that he would be personally responsible to his principal for the payment of all goods sold through his agency. For this guarantee he receives an additional commission. This guarantee on the part of the agent, traveller or commission dealer is called *del credere* and the additional commission granted on this account is also called by that name.

We shall now consider the correspondence between a principal and his agents. Applications seeking agency contain,—

- (2) The applicant's ability and experience in the line;
- (3) the special advantages he can offer, such as wide connections, familiarity with local conditions, old establishment, commodious showroom &c.,
- (4) terms of commission and means of settlement;
- (5) references.

The letter usually closes with a note of hopeful optimism.

The offer of an agency proceeds almost on similar lines.

It usually contains,—

- (1) reference to a potential market;
- (2) the merits of the article;
- (3) special advantages offered such as regular advertisement, maintenance of a showroom &c.;
- (4) terms, conditions and period.

The letter usually closes with an expression of hope that the connection would prove mutually beneficial.

Once an agent has been appointed, the principal should make it a point to support his activities by generous advertising, continuous supply of samples or stocks and by utilising his knowledge of local conditions. His communications should be promptly answered and his suggestions given the consideration they deserve. It has been sometimes complained that the agent's telegrams are answered only by letter or entirely ignored; his suggestions are not asked and apparently not considered. That is a suicidal policy. The able principal will give his agents a free hand in minor matters but tie them down in questions of policy; he will respect his agents' knowledge of local conditions and invite their suggestions for improvement of business. In short, the agency system will produce maximum results only when there is proper co-operation between the principal and his agents.

The above remarks are specially applicable to outside selling agents. Their work is often very difficult. They frequently experience disappointments and rebuffs at the hands of customers

who do not want to buy. If, in addition to this, they receive nagging, complaining, uncivil letters from the principal, they are sure to lose all interest in the business. A sympathetic and encouraging letter with helpful suggestions would be of real use. If the principal find that things are not going on well owing to the fault of the agent, he should be frank and definite in his letter. Vague and general complaints will often do more harm than good. There are principals, fortunately few in number, who are afraid to appreciate the good results achieved by the agent. They labour under the impression that their appreciation would induce the agent to slacken his activities. Nothing could be more erroneous. Expressions of encouragement are never out of place when an agent is doing his best. Instead of slackening his activities, the agent will receive fresh impetus from the principal's encouragement. Consider, for a moment the following letter in which the principal grudgingly acknowledges the good business introduced by the agent.

Dear Sir,

The first quarter of the year is now over, and I am pleased with the amount of business you introduced during the period. Needless to say, if you can improve your figures still further, you will substantially increase your commission income.

Yours faithfully,

Such a letter will hardly act as an incentive to further improvement. Compare with it the following—

Dear Mr. Das Gupta,

The first quarter of the year is now over, and I congratulate you on your business figures during the period. They constitute a record, I think. Push on and let me know if I can help you in any way. Congratulations again.

Yours faithfully,

The letters instructing agents to make purchases or sales should be very carefully worded. Any vagueness in expression will place the agent in difficulties and result in loss of time and

money. An instruction for purchase of goods should contain the following—

- (1) The quantity and quality of goods;
- (2) the maximum price;
- (3) the conditions of shipment, forwarding or warehouse;
- (4) the nature of insurance to be effected;
- (5) The terms of payment.

An instruction for sale should state clearly the price below which the goods must not be sold or the matter may be left to the discretion of the agent. Very often an exporter, before shipping his goods, sends a *pro forma* invoice to his agent inquiring whether the invoiced prices are likely to be obtained in the area. This acts as a protection against the danger of having to sell the goods at a very low price.

The following letters will illustrate the above remarks.

**Letter No. 193. Seeking an Agency.**

The Eastern Toilet Co.,  
Calcutta.

Dear Sirs,

We feel sure you are aware of the possibilities of Ceylon as an outlet for your toilet preparations. We have every reason to believe that a commission agent backed by an advertising campaign will prove excellent results.

In view of our knowledge of local conditions, our reputation and our long and valuable connections, we think that we can render you just the kind of service you require. Our commodious showrooms, situated in the heart of the business quarter will offer admirable facilities for the display of your products and our numerous branches in the interior will reach your goods to every part of the island.

We already represent several Indian firms, and our terms are 10 % commission and the refund of all our disbursements. We are also prepared to take over the *dcl*

*credere* should you so desire, and should charge a commission of 15% for it.

We give below two references who will supply you with any information you may require.

We hope that you will entrust the representation of your firm to us and give us the pleasure of introducing your products in Ceylon to mutual advantage.

References :

Yours faithfully,

Letter No. 194. Agency offered.

Calcutta, 7th February, 194 .

Pataliputra Stores.

Patna. ..

Dear Sirs,

We feel that there is an excellent market in Bihar for our milk products and we should be glad to know whether you are prepared to represent our firm there as sole agents.

As our preparations are in great demand in other markets, we are inclined to believe that you will find no difficulty in introducing them in your province.

Your efforts will, of course, be backed by an advertising campaign, a plan of which is enclosed, and we are prepared to consider your suggestions for improvement in this direction.

We are further prepared to maintain, at our cost, a showroom under your supervision and control, for the display of our products.

We should be willing to allow you a commission of 15 per cent on net sales and undertake to reimburse all expenses resulting from this representation.



It is our firm belief that this connection would prove mutually beneficial, and we should be glad to send you formal agreements on hearing from you.

Yours faithfully,  
Bengal Nutriment Company.

**Letter No. 195. Asking Explanation for Low Sales.**

Modern Stores,  
Gaya.

Dear Sirs,

We note with regret that your sales do not show any improvement as yet. Our products sell quite readily elsewhere, and we regularly receive a considerable amount of business even from your neighbouring districts.

It is possible that there is some special reason for your low figures, but we think we are entitled to some explanation of the situation. That will enable us to assist you in tackling your problems with success.

We trust that with co-operative efforts your sales returns will improve.

Yours faithfully,  
National Condiments Ltd.

**Letter No. 196. Accepting Agent's Suggestions.**

Calcutta, 12th March, 194

Pataliputra Stores.  
Patna.

Dear Sirs,

We have your letter dated 10th March enclosing return for February sales and must congratulate you on your excellent figure.

We appreciate your suggestion of printing catalogues in Hindi for your area and hope to provide you with them by the end of this month.

We hope that this co-operation will enable you to achieve still better figures in future.

Yours faithfully,  
Bengal Nutriment Company.

Letter No. 197. Instruction for Purchase.

Calcutta, 10th April, 194 ..

Messrs. P. N. Rao & Co.,  
Punjab.

Dear Sirs,

We should be glad if you would purchase for our account 1,000 maunds of wheat as per quality sent by you on 5th April, at a maximum price of Rs. 3/- per maund.

Please warehouse the goods and hold them at our disposal, effecting insurance against fire at purchase value plus 15 per cent., and draw on us as usual at 30 d/S.

Yours faithfully,  
Choudhury & Co.

Letter No. 198. Instruction for Sale.

Calcutta, 19th May, 194 ..

Silk Trading Syndicate,  
Colombo.

Dear Sirs,

We enclose the *pro forma* invoice of a consignment of quality silk which we intend to send you next month.

We shall be glad if you will let us know by return whether the prices contained in the invoice are likely to be obtained in your area.

As we shall have to try other markets in case yours does not prove suitable, we shall appreciate very much your prompt reply.

Yours faithfully,  
Bengal Silk Stores.

## EXERCISES ON CHAPTER XXV

1. (i) John Newman offers to represent a Bombay firm and to push its goods in Bengal. His bankers are Lloyd's Bank Ltd., Calcutta.  
(ii) The firm applies to the above-mentioned bank for information.  
(iii) The bank replies favourably as to John Newman's means and energy.  
(iv) The Bombay firm transmits to Newman an Agreement a copy of which has to be returned duly signed, if the terms are approved by him.  
(v) Newman accepts the terms proposed by the firm and returns a copy of the Agreement duly signed by him.

Draw up the above correspondence. (C. U. 1946).

2. Write a suitable letter to an agent whose orders have recently been few in number and who has generally been remiss in his attention to business. (N.U.T. 1931).
3. You have been sent to investigate the Howrah district as a market for lubricants manufactured by the company employing you. Write your report on the conditions and prospects, and include your proposals to the best method of working the district. (C. U. 1946).
4. Write a letter as from an agent drawing the attention of the principal to the delay in the forwarding of goods, pointing out the damage it causes to your sales.
5. One of your agents is in the habit of sending frequent telegrams. Write to him that you will surely welcome telegrams on urgent matters, but refer to some matter of trifling importance which he has made the subject of telegrams.
6. You find from the agents' Returns that one of your agents has allowed certain customers unusually long credit. Write a tactful letter pointing out to him that your prices are too low to allow such long credit and request him to avoid the practice in future.
7. Write to your principal that the business could not have been secured except on long credit and ask for his direction whether you would forego such business in future.
8. The Manager, Bengal Potteries Ltd., Calcutta offers agency for glass and china ware to Mr. S. Thakur, Patna. Draft the letter from the following points—Refer to a previous offer of services by Thakur—vacancy now exists—you understand Thakur has large and influential connection—market promising—very good results likely to be achieved by Thakur—suggest sole agency for Bihar & Orissa—request name of alternative firm if proposition no longer appeals.
9. Draft a reply to above from the following points—Prepared to accept sole agency for Bihar & Orissa—Expect to do good business—25 years experience in the line—suggest terms as follows: Goods invoiced direct;

copies to you. Account Sales made up each month; 5 per cent commission on net sales. del credere  $2\frac{1}{2}$  per cent. Include term of agency and give references.

- 10 You have been appointed sole Agents in Madras for a new brand called "Black's Tea". Write your first report to your Principals (who are experts in the business of tea and coffee) describing the prospects and necessary measures for obtaining a successful sale of the products. (C. U. 1921).

## CHAPTER XXVI

### CORRESPONDENCE WITH THE GOVERNMENT

The businessman's correspondence with the Government may be classified under the following heads,—

- (a) Letters to the Postal Authorities.
- (b) Letters regarding Customs Duties.
- (c) Letters regarding Sales Tax.
- (d) Letters regarding Income Tax.
- (e) Letters regarding Excise Duties.
- (f) Letters regarding Trade Marks & Patents.

In the normal course, transactions are completed by filling in printed forms. It is only in other cases that the business man has to write letters. In every case, necessary references and evidence should be given.

**Letter No. 199.** Inquiry regarding a money-order.

Calcutta, 20th March, 194

Dear Sir,

Ref. M. O. Receipt No. ....

We sent a money order for Rs. 50/- to Messrs. Law & Co., Patna on 3rd March, but we are informed that the payee has not received it yet.

We should be glad if you would make necessary inquiries and inform us the result.

Yours faithfully,  
P. Ray & Company.

**Letter No. 200.** Inquiry regarding a letter.

Dear Sir,

This morning we sent a letter for registration addressed to New Bengal Stores, Benares; but our bearer inadvertently dropped it into the letter box attached with your office along with other letters at about 11 A.M.

As the letter was adequately stamped, we hope that your sorting department detected the oversight, and we should be thankful if you would send us the receipt of the letter per bearer.

Yours faithfully,  
S. K. Ray & Co.

**Letter No. 201.** Requesting Assessment of Provisional Duty.

Calcutta, 29th September, 194 .

Dear Sir,

As the invoice for the undernoted consignment has not reached us yet, we should be glad if you would kindly assess provisional duty on the consignment.

We undertake, however, to present the invoice within one month from date failing which you will have the option of finally crediting the provisional amount as import Duty.

Yours faithfully,

S.S. Rudra,

Marks and Numbers.....

Approximate Value.....

Line Number.....

Rotation Number.....

Letter No. 202. Requesting Refund of Excess Duty Paid.

Calcutta, 2nd October, 194 .

Dear Sir,

S.S. Rudra, D. I. N.....Dated....

It was through an unfortunate oversight on our part that the contents of the above consignment was declared as Rubber Goods and assessed accordingly.

As the consignment actually contained Toys, as you will find from the enclosed Invoice, we should be glad if you would sanction the refund of Rs.....being the amount of excess duty paid.

Yours faithfully,

Enc.—Invoice.

Letter No. 203. Exemption from Income Tax.

Calcutta, 5th January, 194 .

Dear Sir,

We have received your notice of demand dated 2nd January, calling upon us to pay Rs....for the year 1942-43, on account of Income Tax for our firm.

As our income during the period has been far below the assessable minimum, we are afraid that the assessment must have been due to an oversight.

In the circumstances we request you to be so kind as to call for our books of account for the purpose of an examination and to pass orders for our total exemption.

Yours faithfully,

### EXERCISES ON CHAPTER XXVI

- Guha & Co., Calcutta receive two months after the date of despatch, a parcel of goods sent by Ganapati & Co., Agra, by post. Owing to the delay, the contents of the parcel have been spoilt and rendered useless. They place the parcel at the disposal of the postal authorities and claim damage. Draft the letter and enclose the supplier's invoice.
- On 25th March, Morarji & Co. inform the postal authorities that a V.P. for Rs. 65/12/- handed in on the 5th January has not yet been delivered and they claim compensation. Draft the letter.

3. Aga & Co., Bombay, apply for modification of their assessment and produce evidence to show that their income amounts to Rs. 25,000/- and not 40,000/-.
4. Mulchand & Co., Calcutta, export 5000 maunds of sugar to West Pakistan by s.s. *Ravi*. They have paid the customs export duty and now claim the refund of the excise duty paid on it before. Draft the letter.

## CHAPTER XXVII

### CORRESPONDENCE OF A COMPANY SECRETARY

The Secretary is the official representative of the company and the custodian of confidential documents and information. His duties are extremely varied and extend over a great many subjects. In course of his work, he comes into touch with all kinds of people and is required to exercise great tact, good temper, cool judgment and discretion. He has to deal with the directors and shareholders, the bank and the auditors, the income tax assessors, the staff and the public. In short, the Secretary is the link between the Company and the members, between the Company and the public, and between the Company and the staff. The correspondence of a company secretary is thus extremely varied in nature.

#### The Secretary and the Directors.

In his letters to the directors, the Secretary must be tactful and deferential. An able secretary will humour his directors without appearing to do so. Sometimes it may be necessary for him to point out to the Board of Directors that their decision is *ultra vires*. Again, a Director may be indiscreet in some matter affecting the company. The secretary will have to point it out to him. In these cases, the letters should be very tactful so as not to offend the director or directors.

The letters of the Secretary are generally of an important nature. Besides, custom and statute have given especial force to

the utterances of a Secretary. It is therefore incumbent on him to weigh his words with care. A thoughtlessly worded letter may involve the company in litigation or saddle it with a heavy loss.

### **The Secretary and the Shareholders.**

Here the Secretary is in the position of an executive and the tone of his letters should, accordingly, be firm. Tact is equally necessary here, for very often the secretary will have to turn down unreasonable requests. While doing so, the able secretary will not offend the correspondent. He will exercise a careful self-control and tell him that the management really regrets its refusal, but is compelled to take the step in the interest of the company. The Secretary must be careful never to give any information that is not available to every shareholder or one that the Board does not wish to be disclosed. By giving out such information the secretary may, perhaps, smooth over one trouble, but it is sure to give rise to a host of others.

The complaints from shareholders are generally concerned with dividends and with the market price of the company's shares. In most cases, a few generalities will satisfy the shareholders. But if they do not, it will be indiscreet on the part of the secretary to enter into long arguments with the shareholders. In such cases, he should place the matter before the Board of Directors who alone are competent to deal with such matters.

### **The Secretary and the Public.**

Here, again, tact is equally necessary. The Secretary must be very cautious too in this class of letters. As he is the representative of the company, any remarks that he may make will make the company liable. He should, therefore, be careful not to place the company into undesirable obligations.

### **The Secretary and the Staff.**

The Secretary here, occupies a position of control. This class of his correspondence will, therefore, be marked by firmness.



and a note of authority. An able secretary will not be unnecessarily firm, but will not shrink from it when occasion demands.

**Letter No. 204.** For a Sports Club.

The Managing Director,  
Bengal Cotton Mills Ltd.

Dear Sir,

The establishment of a Sports Club for the staff will remove a long-felt want and will be very much appreciated at this time.

The general preferences seem to be for a Club Room provided with journals and indoor games, and an attached playground for outdoor games.

I enclose a draft estimate of initial and recurring expenses of the Company on this account as also of the contribution from the staff. The plot just on the north of our factory will be the most desirable site for the Club. Most members of the staff are very keen about a sports club, and I am confident that your sanction of the scheme will foster still further the feelings of co-operation and good-will existing between the management and the staff.

Yours faithfully,  
T. Acharyya,  
Secretary.

**Letter No. 205.** Intimation of Agenda.

P. N. Ray, Esq.,  
Cossipore.

Dear Sir,

I have been directed by the chairman to draw your attention to the advisability of establishing a commercial department of our company. The question will come up for discussion at the next meeting of the Directors, and it is his wish that you are timely informed to consider the matter before hand.

The existing staff with the addition of a few more would be adequate to run the department, while the reputation the company enjoys in clinical examinations would facilitate the introduction of the products in the market.

The chairman has estimated, with the co-operation of the staff, that the new department is likely to raise the total profit of the Company by 20 per cent.

As the step involves some amount of risk, the chairman would be grateful to receive your candid opinion in the matter.

Yours faithfully,

J. N. Sen,  
Secretary,

Letter No. 206. A Delicate Inquiry.

Calcutta, 5th January, 194

R. P. Nahar, Esq.,  
22, Wellington Street,  
Calcutta.

Dear Sir,

I am reliably informed that you are personally interested in the contract with Messrs. Sen, Law & Co., which is on the Agenda for the next meeting of the Directors, and I take this opportunity to inquire, unofficially, if that is really the case.

In case you are personally interested in the contract, it will be necessary for you, according to Section 91A of the Companies Act to declare the nature of your interest at the Directors' meeting.

I need hardly tell you that my object is only to help you comply with the Section and avoid the unpleasantness that may arise from its breach. Your remarks will, of course, be treated with strictest confidence.

Yours faithfully,  
P. K. Chopra,  
Secretary.

**Letter No. 207.** Reply to a Shareholder.

Calcutta, 27th September, 194 .

S. K. Sanyal, Esq.,  
Gaya.

Dear Sir,

I have your letter dated 22nd September, inquiring whether the company will maintain this year the high dividend it paid during the last few years.

I am sorry to have to state that I am unable to enlighten you on the point as the fiduciary nature of my position does not permit me to disclose any information obtained in the execution of my duties.

I may, however, tell you that the Company continues to be managed on the same prudent and conservative policy as before, and it is daily growing more popular.

Yours faithfully,  
K. K. Chopra,  
Secretary.

**Letter No. 208.** Explaining the Fall in the market price of Shares.

Dear Sir,

We thank you for your inquiry dated 10th April, and appreciate the interest you take in our holdings.

The recent fall in the market-price of the shares of our Company is principally due to the general slump conditions prevailing in the market. The industry as a whole has been passing through considerable difficulties during recent years, and our company cannot remain wholly immune from the general trends inspite of our best efforts and individual progress of the company.

As you will find from the Share Market Reports, a considerable instability prevails at present in almost all the sections with consequent speculative activities.

Besides, the seasonal tight money conditions have depressed the market values of all classes of shares.

We enclose a copy of this year's Balance Sheet of our Company together with the Report of the Directors. If you will kindly compare them with those of the last few years, you will find that the Company has been making steady progress and the dividend declared this year has not been lower than those declared in previous years or declared this year by similar concerns. You will also find that the company is still managed on the same prudent and conservative principles as before.

We hope that the position is now clear, and you will realise that there is no real ground to take an alarmist view of the present fall.

Yours faithfully,  
P. K. Desai,  
Secretary,

Letter No. 209. Reply to a complaint regarding dividend.

Dear Sir,

I am directed to inform you that, before deciding upon the rate of dividend, the Board gave careful consideration to the various points raised in your letter dated 15th July. In arriving at the decision, the financial position of the Company and the conditions of trade generally were taken into account, and it was considered best in the interest of the company, to limit the dividend to the rate announced.

It is confidently anticipated that this policy will strengthen the company's position and enable the directors to take full advantage of any improvement in trade.

Yours faithfully,

Letter No. 210. Reply to a shareholder's inquiry regarding a Rumour concerning the company.

Dear Sir,

I have your inquiry dated 12th March, and am directed to inform you that there is absolutely no truth in the

rumour of this company's being absorbed by the India Mills Ltd., or for the matter of that, by any other undertaking. We are really surprised to learn that there is such a rumour and we fail to understand how it could have arisen.

Yours faithfully,

**Letter No. 211.** Reply to a shareholder's complaint that communications continue to be sent to his former address although his new address was duly intimated.

Dear Sir,

I have received your letter dated 27th March, and very much regret that communications from this office continue to be sent to your former address. Owing to an unfortunate oversight, your earlier letter notifying change of address was overlooked. Your present address has now been recorded in the company's registers, and all communications henceforth will be sent to your new address as above.

Please accept my apologies for the inconvenience you have suffered.

Yours faithfully,

**Letter No. 212.** Another alternative.

Dear Sir,

On receipt of your letter dated 27th May, a careful search was made through the company's records, but the receipt of your earlier letter notifying change of address could not be traced.

We very much regret any inconvenience you might have suffered, but the responsibility does not rest with us, as obviously, your letter did not reach us at all.

We have now, however, duly recorded in the company's registers your present address, as above, to which all communications in future will be sent.

Yours faithfully,

Letter No. 213. Inviting a prominent shareholder to join the Board of Directors.

Dear Sir,

I am directed by the Board of Directors to extend to you a cordial invitation to join the Board of Directors of this Company in the place of the late P. N. Law.

As a shareholder of many years' standing, you are doubtless acquainted with the financial position of the Company as also with its commercial status in the country. Should you require to refer to any detail, I enclose a copy of the Company's Memorandum and Articles of Association together with the latest published Balance Sheet of the Company.

The Chairman, Mr. P. N. Ray, would welcome a discussion on the matter with you and would be pleased if you would favour him with an appointment.

Yours faithfully,

Letter No. 214. Instructing company's solicitors to take steps to stop infringement of a Patent.

Dear Sirs,

It has been brought to our notice that an infringement of our Patent No. 54493 for a Reeling Machine has been committed by New India Machineries Ltd., of 59, Strand Road, Calcutta.

As we desire to have the matter remedied without delay, we should be pleased if you would take steps to ensure an immediate discontinuance of the infringement, and to obtain an adequate compensation for the damage we have suffered.

We need hardly tell you that for obvious reasons we should be glad if litigation can be avoided.

The relative documents are enclosed.

Yours faithfully,

**Letter No. 215.** Circular to shareholders offering new shares for subscription *pro rata* to their holdings.

Dear Sir (or Madam),

Issue of 10,000 ordinary shares of Rs. 10/- each at par.

As the demand for the Company's products has been steadily increasing for some time, the Directors consider it the most opportune moment for the expansion of the Company. They have accordingly, decided to enlarge the Serampore Factory so as to increase the output by 50 per cent. They feel sure that by so doing they would be able to take advantage of the demand and at the same time reduce the cost of production.

To carry out this project an additional capital of Rs. 100,000/- will be required. The Directors have, therefore, decided to raise this by issuing 10,000 ordinary shares of Rs. 10/- each and to offer these shares at par to the existing shareholders of the company, *pro rata* to their holdings.

A Memorandum with a form of Application is enclosed. Should you desire to participate in the issue, please forward the application duly completed so as to reach this office not later than Monday, the 21st July next.

Your holding in the Company entitles you to 100 new shares or such less amount as you may wish to purchase.

Yours faithfully,

**Letter No. 216.** Instructing a Publicity Bureau to plan an advertising campaign.

Dear Sirs,

The Company has decided to launch an advertising campaign throughout the country, for a period of three months with effect from 1st June next. It has been proposed to spend Rs. 50,000/- or thereabout for this purpose.

The advertisements should be made principally in the principal national dailies and in important provincial newspapers. Local papers and other suitable mediums may also

be profitably utilised. It is suggested, however, that the advertisements everywhere should have the same design and the time of their publication should synchronise with the distribution of illustrated booklets to the retailers of the locality concerned.

I should be glad if you would draft a scheme for the campaign, and send it together with a copy and layout for press advertisements and another layout for the suggested booklet, in order to have them approved by the Board. The next Board Meeting will be held on 21st February at 3 p.m. and I hope it will be convenient for your Mr. Desai to be in attendance to discuss the scheme in fuller details.

Yours faithfully,

### EXERCISES ON CHAPTER XXVII

1. Write in the proper form a suitable reply as from the secretary of a Public Company to a letter written by a shareholder, asking for an explanation of a rapid fall in the market price of the company's shares. (*C. U. 1937*).
2. One of the directors of your company has not obtained the share qualification specified in the Articles of Association. Write to him drawing his attention to Section 86 I(i) of the Indian Company's Act (Act VII of 1913) by which the office of the director is vacated if he fails to obtain the qualification within 2 months of appointment.
3. Write a letter to a shareholder who complains that although he has advised you of his change of address, communications from your company continue to be sent to his former residence. (*C. I. S. Inter.*).
4. Write a letter to the Company's bankers, confirming a verbal arrangement made with them in connection with a temporary loan. (*C. I. S. Inter.*).
5. Write a courteous letter of explanation to a shareholder who complains that he did not receive a copy of the company's accounts before the General Meeting when they were to be considered.
5. A shareholder writes inquiring how the company's business is going on, and if there is any likelihood of an increased dividend this year. He adds that he is thinking of buying a few more shares, and he would like to know if you would advise him to do so. Write an appropriate reply. (*C. I. S. Inter.*).
5. Write a short letter as Secretary to the Chairman of your company pointing out the desirability of partly rearranging the office staff,



explaining the effect of the suggested reform, and showing that increased efficiency will be secured without additional expense.

(C. I. S. Inter.).

8. Write a reply to a shareholder who complains that the declaration of a larger dividend than that recommended by the Directors is justified by the profits earned by your company during the year. (C. I. S. Inter.).

## CHAPTER XXVIII

### LETTERS TO EDITORS

The proper form of salutation in these letters is *Sir*, and not *Dear Sir*, while the usual ending is *Yours truly*.

In these letters, sometimes the writer does not wish his name to be published, and signs the letter with a *nom-de-plume*, e.g., "One Who Knows", "A Sufferer", "Interested", etc. But even in these cases the writer must give the Editor his name and address in a covering note which should accompany this letter. Otherwise no respectable newspaper will publish his letter.

When the writer gives his address for publication, it is usually placed at the left-hand bottom of the letter.

**Letter No. 217.** On the nuisance caused by Foot path shops.

The Editor,

*The Evening Observer.*

Sir,

It is high time that some drastic actions were taken to put a stop to the sales conducted on the footpaths of our city. The number of such dealers is steadily increasing and threatens to convert all the footpaths of the city into a long chain of small shops.

These footpath shops prefer night hours to those of day, and commence business after dusk. With their commodities arranged in a semi-circle with a lamp in front, the dealers sit at regular intervals and attract a pretty good number of

customers. The result is that the footpaths remain closed to pedestrians.

In these days of light restrictions and heavy traffic with the military lorries rushing through the streets at great speed, the plight of the pedestrian who is compelled to leave the footpath and proceed by the street may more easily be imagined than described. He will surely thank his stars if he is not knocked down by a passing car.

Some one might say that these footpath dealers are earning their livelihood and we should undergo a little hardship in order to enable them to maintain themselves. But the problem is too serious to be settled by mere sentiment. It is to be judged by reason and commonsense. It is not a little hardship that we grudge. Let us by all means help others to maintain themselves; let us not stand in their earning a livelihood. But if that amounts to a public danger, no one should hesitate to put it down with a strong hand.

Yours truly,  
Sufferer.

Letter No. 218. Complaint against Ration Shops.

The Editor,  
*A. B. Patrika.*  
Sir,

I crave the hospitality of the columns of your much esteemed journal to draw the attention of the Civil Supply authorities to an objectionable practice adopted by the Ration Shops of our locality.

The quality of *Atta* now being supplied by these shops is extremely bad and altogether unfit for consumption not only by human beings but also by cattle. But the Ration Shops are refusing the quota of Sugar to those of their registered customers who refuse to take their quota of *Atta* also, even though they cannot utilise it as food. As a result of this, people are being indirectly compelled to purchase sugar at a price higher than the controlled rate.

We have no doubt that the practice has not the approval of the Civil Supply Department, and we request the authorities to put a stop to it immediately.

Yours truly,

P. Das.

5, Biraj Sen Lane.

**Letter No. 219.** Complaining against the Stiffness of the paper in English composition in B.Com. Examination.

The Editor,  
*The Leader.*  
Sir,

Will you please allow me the use of some of the valuable space in your paper to draw the attention of the University authorities to the unusually stiff nature of B.Com. Questions on English this year?

The passages for précis are both as difficult as they are long. A mere reading of the passages requires more than 45 minutes, and they deal with topics extremely complicated in nature. Besides, the nature of the passages are such that they can hardly be considered fit for précis-writing.

Unlike previous years, the questions on Commercial Correspondence offer no alternative. Four different letters have been set. And two of these require both time and thought. To ask examinees to draft two such letters in addition to two others and that without any alternative is undoubtedly doing them injustice.

The essays no doubt offer several alternatives. But curiously enough, all of them deal with politics, so that the facility offered by the alternatives has been negated by the nature of the essays.

In these circumstances, it will certainly not be unreasonable to request the authorities to make some allowance in this paper.

Yours truly,  
An Examinee.

Letter No. 220. Condemning the revised Bengal Sales Tax.

The Editor,

*A. B. Patrika.*

Sir,

The revised Bengal Sales Tax has been justly resented from every quarter. The increase in the rate has been arbitrary, unjust and contrary to the best principles of sound taxation.

When the Sales Tax was first passed, it was described as a war measure, introduced to help anti-inflation. The war has ended; war orders and war money have ceased to flow, and there is hardly any justification to continue the tax, far less to enhance it.

The government sing the old song of deficit budget as their plea for the increment. The increase was made in hot haste by the Section 93 Government, without waiting for the legislature to discuss it and the popular ministry to shoulder the responsibility. Any decision affecting taxes should be within the exclusive jurisdiction of the representative of the people, and it is definitely unjust to fleece the people to meet expenses over which they have no control.

Sales Tax, as a rule, is shifted to the consumers and is thus a burden on them. The increase in the rate is likely to lower the purchasing power of the average consumer and thus hit traders also. Besides, under conditions of deflation which have already set in, the incidence of the Sales Tax may shift itself to production. Production thus may be crippled at a time when it is most necessary to stimulate it.

Moreover, the tax is likely to create an inter-provincial tariff barrier and thus disturb the equilibrium in the national economy of the country. To take a concrete example, a book priced at Rs. 16/- will be sold for Rs. 17/- in Bengal and for Rs. 16/- in other provinces. The dealers in other provinces will thus enjoy an automatic protection to the

extent of 6½ per cent. at the cost of Bengal where trade will be seriously dislocated.

The tax therefore, deserves to be condemned.

2, Deshapriya Park,  
Calcutta.

Yours truly,  
N. Sarkar.

7th February, 1946.

### EXERCISES ON CHAPTER XXVIII

1. Write a letter to the editor of a local newspaper, complaining against the stiffness of the paper in English Composition at the B. Com. Examination. (*C. U. 1939*).
2. Write a letter to the editor of a newspaper, commenting either on the Excess Profits Tax or on the rise in prices owing to the war and the Government measures of control. (*C. U. 1940*).
3. Write a letter to the editor of a newspaper, criticizing the provisions of the Bengal Finance (Sale Tax) Bill, 1941. (*C. U. 1941*).
4. Write a letter to an English daily patronized by politically minded Indians on the appeal made by the Chittagong Armoury Raid prisoners for an opportunity to assist in the defence of India. (*C. U. 1942*).
5. Write a letter to the editor of a newspaper commenting either on the Demonetisation Ordinance or the proposed Decimalisation of Coinage in India.
6. Write a letter to the Editor of a local newspaper discussing remedies for the unemployment problem in the country. (*C. U. 1948*).
7. Write a letter to the Editor of a local newspaper ventilating your grievances about the inconveniences of railway travel these days and the increased fares to come into force from January 1, 1949.  
(*C. U. Comp. 1948*).
8. Write a letter to the Editor of the leading newspaper in your province setting forth your views on the fall in share values in India.  
(*All-India Dipl. 1949*).
9. Write a letter to the Editor of a local newspaper setting forth your views on the formation of linguistic provinces.
10. Write a letter to the Editor of a local newspaper drawing the attention of the telephone authorities to the recent deterioration in their service.

## CHAPTER XXIX

### THE DESIGN OF A BUSINESS LETTER

The effectiveness of a letter depends not only upon its composition but also on its design. Even a well drafted letter may fail to be effective if it is carelessly typed on inferior paper. So, a firm, careful of its business and prestige, cannot afford any lapses in the design of its letters.

Every letter sent out is a piece of publicity. So a little care and expense to ensure a pleasing appearance to the letter should never be grudged. A good grade of bond paper should be used and the letter head should be tastefully printed. The colour of the note-paper should preferably be white unless there is a special reason for the use of tinted paper. "Good paper conveys the notion that the sender is not accustomed to spoil the ship for a ha'porth of tar."

Strictly, speaking, there is no such thing as correct design in the typing of a letter. There is no absolute criterion by which a particular form of typing may be defended. Our experience tells us that a well typed letter creates a favourable impression on the reader and helps him to grasp the contents easily. The most important thing, therefore, is that the finished letter should be attractive to the eye and easy to read. This can be attained by a few general principles. Many firms standardise the appearance of their correspondence by laying out definite instructions to the typists. This is certainly a commendable practice. We give below a set of such instructions, worked out in the form of a letter. While they represent a good and well accepted design for business letters, they must not be taken as the final authority on the design. Different companies may have different preferences.

Let us now examine the appearance of the letter. If the letter is divided into two equal parts, first vertically and then horizontally, it will be found that the typed matter has been evenly distributed in the four parts of the note paper. Thus the balance has been maintained.

CITY PUBLISHING COMPANY,  
College Square, Calcutta.

15th November, 1943.

City Publishing Company,  
College Square, Calcutta.

Dear Sirs,

Attention of Typists.

This letter represents the standard form adopted for City Publishing Company letters.

Set the paper-guide on the typewriter so that when the paper is inserted and the marginal stop set at 15, the margin of the letter will be  $1\frac{1}{2}$  inches on the left and 1 inch on the right.

Where the date space is not indicated, type the date two spaces below College Square, Calcutta, and see that the date line ends evenly with the right hand margin of the letter.

Type the name and address in block style, on the left hand side, beginning at the margin, and using single spacing. Type the salutation two spaces below, beginning at the margin. When the letter is sent to a firm but directed to the attention of an individual, type "Attention of Mr....." in the centre, two spaces below salutation. This space may also be utilised for subject headings or special references.

Begin the body of the letter two spaces below the subject heading or, in its absence, below the salutation. Allow an indentation of five letter spaces for every paragraph, so that the first letter of the first paragraph is placed just below "S" in "Dear Sirs." Use single spaces within paragraphs and double spaces between paragraphs. Allow two spaces after a full stop.

Type the complimentary close two spaces below the body of the letter, starting at 40 on the typewriter. Two spaces below this type the name of the Company. If the name of the department or position of the person signing the

City Publishing Company—2 15th November, 1943.

letter is to be added, type it four spaces further below starting again at 40.

The initials of the typist should appear at the left margin, two spaces below the signature.

Yours faithfully,  
City Publishing Company,  
General Manager.

B.R.

It should be remembered that in order to be attractive, the letter should always be centred on the page. When the letter is short, a smaller sheet of paper should be used, or the margins at the top and bottom increased. If the side margins are increased, the uniformity of appearance will not be maintained. Besides, a short letter with very wide side margins will seem to trickle down the centre in a thin stream.

The right hand margin should be kept as even as possible, but in doing so words must not be split up too often.

Sometimes a letter will require more than one page. The subsequent pages are called continuation sheets. Head the continuation sheets with the name of the addressee, the page number and the date. Type these in one line, one inch from the top of the sheet and observe the original margin.

City Publishing Company—2 15th November, 1943.

Start the body of the letter in the continuation sheets two inches from the top. A continuation sheet should contain at least two lines of a letter. When a continuation sheet becomes necessary do not crowd as much matter as possible in the first sheet, and allow a bottom margin of at least  $1\frac{1}{2}$  inches on page one.

After the letter has been signed, it should be neatly folded. A hastily folded letter will leave unseemly creases running obliquely across the page. Even when the folding is neat, keep the creases as few in number as possible, and avoid leaving a crease on the signature. When a stamped receipt is folded, the crease should not fall on the stamp.



## CHAPTER XXX

### THE CORRESPONDENCE DEPARTMENT

The reputation of a business house depends in no small measure on the manner in which it handles the correspondence. A letter may be excellently drafted and elegantly typed, but if there is an undue delay in its preparation and dispatch, the letter will prove useless, if not worse. The organisation of the correspondence department, therefore, deserves the most careful attention of the principal and no pains spent on it should be considered too much.

The work of the department begins with the incoming post which may be delivered in the ordinary way or collected at the local post office. Owing to the spasmodic nature of postal deliveries, many firms prefer the latter course, and ask their correspondents to address their letters to what is known as a Box No. One special advantage of this system is that the receiving firm has not to wait for the ordinary deliveries, but may collect the letters immediately after they reach the local post office.

The official in charge should begin his work with an examination of the addresses of the letters with a view to eliminating those that are meant for the office. Letters delivered in error should be returned to the post office, and personal communications set apart to be handed to individuals concerned.

The envelopes of the remaining letters should then be carefully opened and the contents taken out. Care should be taken that all enclosures are securely attached to the letters concerned. In opening the envelopes it is preferable to use one of the mechanical devices, for that would slit the envelopes at the top very rapidly and save considerable time. In cases of irregularity, the envelopes may be retained; in other cases they should best be dropped into the waste-paper basket.

The letters should then be stamped with the date of receipt and also numbered. A rubber stamp provided with mech

for altering the date each morning may be used with advantage. The stamp may be fitted with other particulars which the nature of office may require.

The official should have an assistant whose duty would be to take down particulars in a Letter Received Book provided with several columns such as date of receipt, name and address of sender, particulars, remarks. The official will dictate these details as he numbers the letters.

The letters will then be distributed in baskets or files to the departments concerned. In this, the official will be guided by the references given in most letters. When one letter concerns two or more departments, he should make a note on it so that the reply may not be left incomplete.

In order that the day's work may start without delay, the official entrusted with the handling and distribution of mail should begin work earlier than others, so that he may complete distribution before the arrival of the rest of the staff. A number of officials may be entrusted to carry on this work in rotation.

Each department, after answering a letter, should indicate the fact on the margin or in space provided for the purpose before returning it to the correspondence department or passing it to the next department concerned. Where, however, no reply is deemed necessary, a note to this effect should be made on the letter for the guidance of the filing staff. If the reply to a letter should be postponed for some reason, the letter should not be returned to the correspondence department, but should be kept separate in the Pending file.

In drafting or dictating replies to the letters, reference to old records, consultation with other departments and the like may sometimes be necessary. Each department should set about collecting these details as soon as the letters are received, and forward the letters with the necessary details to the head of the department or person responsible for compiling the replies. In some cases protracted inquiries may be necessary. This must not, however, delay the forwarding of other letters. Indeed,

where the mail is heavy, it is expedient to forward letters with details by batches so that the compiler may have ample time to deal with them.

The official, with the help of these notes, will then draft or dictate the replies, numbering them consecutively, and these will then be typed. It is advisable that letters are compiled early and typed as soon as possible. This will allow the members of the staff concerned to attend to letters that arrive later, and also for reading and checking the typed communications. Everyone is familiar with what is known as the last minute rush, so detrimental to the interests of the business. This may be avoided in many cases if the compilation of the letters is commenced early.

An exact copy of all outward correspondence must be made for the purpose of filing. This is necessary in order that full particulars of everything that has been said or done may be available whenever necessary. Sometimes, a letter may form part of a written contract, and in cases of dispute, the issue will be decided by the terms of the letter. The most popular method of making copies of letters now-a-days is by means of carbon paper. This is quite easy and inexpensive,—six or even seven copies being possible at one operation. But this device has one great disadvantage, *viz.*, that the copy does not bear the signature of the person responsible for the letter, and does not show corrections that may have been made in the original unless they are also made in the copy. From a legal point of view carbon copies of letters are not satisfactory evidence. So firms, following this device, take recourse to copying all letters in the Letter Book. Letters may also be copied by the Copying Press and the Rotary Duplicator.

The typewritten letters with their copies will then be taken to the compiler for signature. Where he is not authorized to sign them, he should check the letters and put his initials on the copies, so that the person signing the letters may be satisfied that there is some one to vouch for the accuracy of the letters.

The letters and their copies will then be sent to the despatch clerks who would fold the letters with relevant enclosures and

insert them in the envelopes. The envelopes may be typed or handwritten, and this should be done earlier in the day with the help of the Inward Register. Now-a-days, in many cases window envelopes are used. In offices where a large number of letters are sent out to the same persons, such as shareholders of a company, policy-holders or customers, an addressing machine may be used with advantage.

The letters should then be weighed, stamped, sealed and entered in the Outward Register with postage columns as follows—  
Date.....

Stamps in Hand	No of Letter	Name	Address	Des- patcher	Postage	Remarks
2-5-6	..	..	..	..	0 1 6	
	..	..	..	..	0 1 6	
	..	..	..	..	0 1 6	
	..	..	..	..	0 1 6	
	..	..	..	..	0 0 9	
					1 14 9	
1-14-9					2 5 6	

In offices where letters are numbered by thousands, the task of affixing postage stamps on letters may be simplified by the use of a franking machine, worked by hand or electricity. One such machine can stamp 20,000 letters a day. Letters are rapidly passed through the machine and each comes out stamped and dated. The machine, moreover, will record automatically the value of each impression made by it so that the user may ascertain from the credit meter the balance of stamps still available. For the use of the machine, previous permission from the Post Master General is necessary.

Correspondence sent by registered post or express delivery should, however, be carefully kept apart from the ordinary mail. The letter will then be sent to the post office or await collection.

The inward letters and the copies of the outward ones now remain to be filed. The necessity of preserving inward corres-

pondence arises from the same reason that accounts for the necessity of preserving copies of outward ones. The full advantage of preserving correspondence will be derived when inward correspondence and the replies are placed side by side. A good system of filing fully provides for this juxtaposition and is, therefore, a necessity. The essentials of a good filing system may be briefly stated as follows:—

- (a) It must be simple and capable of being understood by every member of the staff, i.e., by the average worker.
- (b) It must be suitable for the particular business using it. A system which is eminently suitable for one business may be entirely unsuitable for another. This is so, because businesses vary greatly in regard to details.
- (c) It must be capable of expansion. Every progressive business grows and provision should be made for such growth, so that the opening of new departments or increase in the volume of work may be easily absorbed in the system.
- (d) Finally, the system must be such that the materials filed may be consulted at a moment's notice.

Various forms of filing are in use now-a-days. These systems may broadly be divided into two classes, the horizontal and the vertical. In the horizontal system, files or folders each containing a particular group of documents is placed flat, one on the top of another. Each folder is marked clearly for speedy identification. The files can be placed in cabinets made for the purpose. Instead of having one complete alphabetical index in a single drawer, it is divided into a number of drawers each bearing the index letters on the index card. In the vertical system, the files or folders containing the letters are placed upright in drawers, and retained in that position by means of an adjustable guide block in the drawers. Tabs are attached to each file to facilitate ready identification. In this system one side of every file or folder in

the drawer is constantly exposed and this ensures quick reference. That is why this system is more popular than the other. Both these systems are simple and adaptive and may be made to fit most kinds of business.

Every office should follow one of these systems with modifications where necessary and each day's filing work should be completed each day.

It may not be out of place here to put in a few words with regard to a centralised correspondence department. Centralisation demands specialisation, and specialisation brings efficiency. A centralised correspondence department with a specialist staff may be an expensive luxury for a small firm. But when the volume of work is sufficient, centralised correspondence will surely prove profitable in many ways. The following lines from *Sales Promotion* point to some of the advantages of this system.

"The fact that the correspondence of a single firm may vary so greatly is often due to a system of rigid departmentalism, under which each department conducts its own correspondence.

"To ensure a continuity of policy, which is as important in commercial as in international affairs, certain large engineering firms adopt the plan of having a central correspondence department, through which all letters (with certain unimportant exceptions) are sent. Even where the concern is a large one, and the staff of correspondents numerous, certain customers will invariably be handled by the same man, which results in the correspondence of the firm always preserving the same character.

"In the case of one or two long established firms, one may find instances of the letters of one customer having been handled by the same man, occasionally for fifteen years. The system has other advantages apart from continuity of policy, not the least of which is the very exact knowledge of the customer's requirements and his occasional shortcomings acquired through regular and uninterrupted intercourse.

"The writer has in mind, as a typical instance of the service which can be rendered, a case where one correspondent was able

to point out to overseas agents ordering a large mill engine they apparently had a 20 ft. flywheel in stock which brought in for the new plant, a fact which had been entirely looked by the customers, and which probably saved them a hundred pounds on the transaction.

"A central department on these lines also provides one of the best schools for the initial training of a salesman, for developing a sound business instinct, and of acquiring a thorough knowledge of the firm's manufactures, their general policy in business, and for inculcating the habit of looking ahead. The latter faculty is strongly developed when a man knows that if there is any slip, error or omission, the resulting task of straightening things out and the unpopularity of the affair will fall on his shoulders alone.

"In establishments where a transaction is handled in stages by one department after another, there is neither the same foresight nor the same interest observable in the cultivation of a customer's goodwill, as it is easy for the progress made by one department to be lost by the next.

"The technical correspondent might in many cases be fairly described as an inside salesman, and frequently the amount of business he secures simply by means of catalogues and letters would put to shame the efforts of many men on the road. Considering that in such a large proportion of cases the contact between manufacturer and customer is only by correspondence, it would undoubtedly pay many firms to employ a better type of man than is frequently done.

"In any case the remuneration is not excessive when compared with the output and the results which can be achieved by a good man.....

"In addition, the work of any centralised correspondence department will furnish a splendid introduction either for the outside salesman or the future administrator who may desire to acquire in a minimum period of time a sound knowledge of the products of the house, its policy, and its peculiar problems. For

Registrar. The Registrar then grants a "Certificate of Incorporation" which is conclusive evidence that the company has been duly registered under the Company's Act.

### The Prospectus

When the company is a private one, it is prohibited by its Articles to invite the public to subscribe for its shares or debentures. In the case of a public company, the public have to be induced to subscribe. This is generally done through the prospectus.

The Act lays down that the Prospectus must disclose certain information and contain contents of Memorandum, number of founder's shares, directors' share qualification and remuneration, names, addresses and descriptions of directors, number and amount of shares and debentures issued, amount payable on application and allotment etc. etc. Before the Prospectus is issued, it must be signed by every director and delivered to the Registrar for registration and approval.

The drafting of the Prospectus is a matter of very nice calculations. On the one hand, it must fulfil the conditions laid down by the Act, while on the other it must place the prospects of the company before the public in such a way that they may be induced to subscribe. The slightest misrepresentation or concealment of a material fact—even if made quite innocently—may give a shareholder a right to damages.

The drafting of these three documents, the Memorandum, the Articles and the Prospectus requires great tact and skill and it is, therefore, the invariable practice to entrust it to auditors, solicitors or experts.

### The Form of Application.

The Prospectus, when issued to the public is almost always accompanied by a form of application for shares, to be filled in by the applicant. The application may be made in the form of an ordinary letter or even an oral application would be quite legal. But a standard form of application serves a two fold



purpose. It secures uniformity in the applications there and also protects the company by avoiding any ambiguity in the terms of contract. The application for shares is only a request to the company and may be revoked at any time prior to allotment.

The application for shares will now be coming to the secretary and pure secretarial work will now commence. The secretary will have the applications scrutinised. Those applications in which material portions have been altered or deleted will be dealt with separately. Applicants who have applied for shares in the form of an ordinary letter may be sent copies of the form with a request for early completion and return. The forms will be sorted and classified. The details are then recorded in the Application and Allotment sheets kept printed beforehand. The column showing the number of shares applied for should be totalled, so that the secretary may, at a glance, ascertain the total number applied for in respect of each kind of shares.

### **Allotment:**

The task of allotment is generally delegated by the directors to a Committee of the Board consisting of a few of the directors. The committee will scrutinise the applications and decide which applications are to be accepted and to what extent, and which ones to be declined. The secretary or a member of the committee will note this in the allotment sheet opposite each name. When all the cases have been considered the shares allotted should be totalled, and it should be remembered that the total number of shares allotted must not exceed the authorised share issue. The committee will then send their recommendation to the Board which will meet and pass a resolution like the following:—

“That.....Ordinary Shares of Rs.....each, numbered.....to.....inclusive, be and are hereby allotted to the persons whose names, addresses and descriptions are set forth in the Allotment Sheets, in accordance with the number of shares noted in the allotment column therein, and that the secretary be and is hereby instructed to issue imme-

diately the necessary allotment letters and letters of regret and to return application money where necessary."

### Letters of Allotment and Regret.

The secretary will now send letters of allotment where shares have been allotted. Where no allotment has been made, letters of regret will be sent to the applicant informing him that the Directors have been unable to allot him any shares. The Company's cheque for the amount of deposit paid on application must accompany the letter of regret.

### Statutory Meeting.

After the company has commenced business, a general meeting of the shareholders must be held not less than one month nor more than three months from the date of commencement of business. This is called the Statutory Meeting. The object of this meeting is to provide the shareholders with information as to the incorporation of the Company, allotment of shares etc., so as to enable them to discuss these and matters arising from them.

The secretary's duties on this occasion are,—

- (a) to prepare and submit the draft statutory Report to the Directors for approval,
- (b) to obtain the certification of the report by the company's auditors and its signature by two directors.
- (c) to forward a copy of the report to each shareholder at least seven days before the date of the meeting,
- (d) to file a copy of the Report with the Registrar of companies immediately after copies have been sent to the shareholders,
- (e) to put before the meeting a complete list of the names, addresses and descriptions of the shareholders and the number of shares held by each,
- (f) to record in the general Minute Book the minutes of the proceedings of the Statutory Meeting.

### Calls on Shares.

In due course the company will find it necessary to call upon the shareholders to make further payment on their shares.

The calls must be made strictly in accordance with the provisions of the company's Articles and in pursuance of a resolution of the Board. The resolution will state the amount of the call, the date on which it is to be paid and the place of payment.

Table A provides,—

- (a) No call shall exceed one-fourth of the nominal amount of the share;
- (b) one month's interval must be allowed between any two calls;
- (c) fourteen days' notice must be given to the shareholders;
- (d) five per cent. interest shall be paid on overdue calls.

Where the Prospectus provides for the payment of instalments of shares at specified dates, the resolution of the Board is not necessary, and the Call Letter will then be worded as follows,—

In accordance with the terms of the Prospectus dated.....  
.....the sum of Rs. 5/- (Rupees five only) per share  
on the shares of the company becomes due for payment on 1st  
August, 19.....

The amount payable by you on the 50 shares registered in  
your name is Rs. 250/- which please pay to.....  
Bank Ltd., on or before the 1st August 19.....

### Forfeited Shares.

The Articles usually contain clauses authorising the directors to forfeit shares for non-payment of calls. Notwithstanding the forfeiture the company may proceed against the defaulter to recover the amount due and reissue the shares to any other person willing to pay the outstanding calls or such larger amount as may be agreed upon. The liability of the defaulter remains for a period of one year or till the nominal value of the shares have been received on the reissue.

### Transfer and Transmission of Shares.

Changes in the ownership of shares may arise from any one of the following causes:—

- (a) Sale by a member.
- (b) Death of a member.
- (c) Bankruptcy of a member.
- (d) Lunacy of a member.
- (e) Gift.
- (f) Forfeiture.

All these changes must be made strictly according to the provisions of the Act. The work in connection with transfer and transmission is one of the most important of secretarial duties and deserves very careful handling. In big companies, the work is entrusted to a separate department. But in small companies, the secretary himself deals with it.

### A Company's Books.

The statutory requirements regarding the books which must be kept by a limited company are:—

- (a) A Share Register of Members.
- (b) A Register of Directors.
- (c) A Register of Mortgages and Charges.
- (d) A Minute Book.
- (e) Annual Returns.

Besides these, the following books are desirable for, and are usually kept by, the majority of the companies:—

- Proper Books of Account.
- Application and Allotment Book.
- Share Certificate Book.
- Register of Transfers.
- Register of Transfer Certified.
- Register of Power of Attorney.
- Register of Properties.
- Register of Documents sealed.
- Directors' Attendance Book.
- Dividend Book.

and various records and statistical books which are very helpful in case of trading companies.

## Dividends.

Dividends are those portions of a company's profits which are divided among the shareholders after any necessary reserve has been created. The manner in which these profits are divided are generally determined by the Articles and Memorandum of Associations. The declaration of dividends is usually vested in the company in general meeting and it is usual to provide that "no dividend shall exceed the amount recommended by the directors." Directors are usually authorised to declare interim dividends.

## Winding up.

The winding up of a company may be either (1) voluntary, (2) by the Court, and (3) subject to supervision of the court. In all these cases a liquidator is appointed to realise the property, first, in payment of the debts of the company, and secondly to divide any balance among the shareholders.

## Meetings.

The company's Acts and the Articles of Association require many things to be carried out by a resolution passed at a meeting. Meetings may be of many kinds. The following are the usual meetings held in connection with limited companies:—

- (1) The Statutory Meeting.
- (2) Annual General Meeting, usually described as Ordinary Meeting.
- (3) Extraordinary General Meeting.
- (4) Class Meeting, *i.e.* meeting of a particular class of shareholders.
- (5) Directors' Meeting.
- (6) Directors' Committee Meeting, *i.e.* meeting of a certain number of directors appointed by a resolution of the Board to transact urgent and day to day business.
- (7) Creditors' Meeting.

## Conditions of a Valid Meeting.

In order that the meeting of a constituted body may be valid, it must satisfy the following conditions:—

- (1) it must be properly convened,
- (2) it must be properly constituted, *i.e.* have the right person in the chair and the quorum present,
- (3) it must be held according to applicable statutes and rules if any.

The first condition is that a meeting can be held only if a proper notice has been given, *i.e.*, (a) the notice must be given to all entitled to attend; (b) it must state the date, time and place of meeting, all of which must be reasonably convenient; (c) it must be issued under proper authority (*i.e.*, the Board in case of a Company); (d) it must be served in the manner provided; (e) proper length of notice must be given, and (f) it must state fairly and clearly the nature of the business to be transacted.

Usually the regulations state who will take the chair. When this is not stated, or when the chairman is absent or is unwilling to act, the members present may elect one from amongst them.

A quorum is the minimum number of members who must be present before a meeting can validly transact any business. In companies, the Articles usually make provision, and in their absence, the companies act prescribes a minimum of three members for a public company and two members for a private company. Persons represented by proxy may be counted only when it is so provided in the regulations.

There are five popular methods of voting. These are,—

- (1) Voice or Acclamation.
- (2) Show of Hands. This method is usually adopted in Company Meetings.
- (3) Poll.
- (4) Division.
- (5) Ballot.

## Agenda.

The Agenda is a statement, in proper order, of the business to be transacted at a meeting. It is prepared by the secretary in consultation with the chairman.

It is the usual practice with the secretary to draw up the agenda on loose sheets of paper and make copies of it, allowing a wide margin on the right hand in order that members may make notes against each item. A copy of the agenda accompanies the notice convening the meeting. A sufficient number of additional copies should be kept ready so that the secretary may present a copy to each of the members present at the meeting, whilst the chairman is more usually provided with an Agenda Book. In this book the agenda is written in greater details on the left-hand page while the right-hand page is left blank for the chairman's notes. This has many advantages. The Agenda Book will be a permanent record and the agenda of any meeting may be easily traced at any future date. Besides, should the correctness of the minutes of a particular meeting be questioned later on, the Agenda Book together with the Minute Book will settle the matter.

Though it is desirable that the business should be proceeded with in the order shown in the Agenda, there is no objection to any change in the order, if in the opinion of the meeting or of the chairman there is good reason for such departure.

## Resolutions.

From the point of view of a company secretary, a resolution may be defined as "a formal declaration of the will or wishes of the company (or the directors)". Resolutions, thus, are of two classes, (a) of shareholders (or separate classes of shareholders) and (b) of directors. Shareholders' resolutions again are of three kinds, ordinary, extraordinary and special.

Ordinary resolutions are those that are used for the disposal of ordinary business at annual general meetings of shareholders. Resolutions authorising payment of dividends, appointment of

auditors, election of directors etc. are ordinary resolutions. These resolutions can be passed by a simple majority.

An extraordinary resolution has been defined as follows:—

“A resolution shall be an extraordinary resolution when it has been passed by a majority of not less than three-fourths of such members as, being entitled to do so, vote in person or (where proxies are allowed) by proxy at a general meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given.”

If all the conditions set forth above are not fulfilled, the resolution will not be valid. If for instance 16 members entitled to vote are present at an extraordinary general meeting, and 11 vote for and 4 vote against the resolution, and 1 do not vote, a declaration that the resolution was carried would be invalid.

Extraordinary resolutions are mainly used for voluntary winding up of a company and for such other purposes as are authorised by the Articles.

A special resolution has been defined by the Act as follows:—

“A resolution shall be a special resolution when it is passed by such a majority as is required for the passing of an extraordinary resolution and at a general meeting of which not less than twenty-one days' notice, specifying the intention to propose the resolution as a special resolution, has been duly given:—

Provided that if all the members entitled to attend and vote at any such meeting so agree, a resolution may be proposed and passed as a resolution at a meeting of which less than twenty-one days' notice has been given.”

All the requirements must be fulfilled in order to obtain a valid resolution. The Companies Act makes it compulsory that certain important matters must be sanctioned by a special resolution. Of these the following two are the most important:—

- (1) Alteration of the Memorandum of Association.
- (2) Additions, alterations or revisions of the Articles.



Whenever a special or an extraordinary resolution is passed, a printed copy of it must be forwarded to the Registrar within fifteen days from the day on which it was passed.

Copies of special resolution must be annexed to every copy of the Articles issued after the passing of the resolution. But where Articles have not been registered, a copy of special resolution must be supplied in print to any member on request and on payment of the usual fee.

### Minutes

Minutes are records of proceedings at meetings. The Act requires every company to enter such minutes in books kept for the purpose. Minutes preserve a clear, concise and accurately written record of the business transacted at a meeting, the names or number of members present and the resolutions passed (with names of proposers and seconders). Thus the essential contents of the minutes are:—

- (i) a summarised narration of the business discussed and transacted (Minutes of Narration), and
- (ii) the actual wording of the resolutions passed (Minutes of Decisions).

### How taken

At each meeting the secretary will take note of the proceedings. It is a very good practice to have a note book set apart for this purpose only. The notes should be brief, accurate and clear. Proposals not accepted need not be recorded unless they are of exceptional importance. As soon as possible after the meeting, the secretary will, with the help of the notes, record the minutes in the Minute Book. This will require very great care and not little skill. Care should be taken to avoid all ambiguity and chance of misunderstanding. The recent practice of recording minutes in loose leaf form should better be avoided. The only advantage of this practice is that the minutes can be typewritten. But a loose-leaf may be lost or replaced, and what is more, such books are not accepted as evidence in a court of law.

It is advisable that every minute should have its heading stated in the margin opposite to it. The minutes should also be numbered and preferably indexed also. This will facilitate reference.

The minutes will then be read by the secretary at the next meeting and if found in order, they will be signed by the chairman as follows:—

*Read and Approved*

.....

Chairman (Date).

If it is found that the minutes do not accurately set forth the decision of the meeting in question, alteration will be made and initialled by the chairman, before they are approved. It is, therefore, a good practice to show a rough draft of the minutes to the chairman for his approval, before they are recorded. But this is not always feasible. If after the minutes have been approved and signed, an error or omission is discovered, it should form the subject of an entirely new minute.

Minutes relating to more than one meeting should not be entered on the same page, and separate books should be used for the minutes of shareholders, of directors, and of committee meetings.

### **The Meetings and the Secretary**

The Secretary has many duties to perform in connection with meetings. The preparatory work for Directors' meetings as well as shareholders' meetings will provide him with various duties. In the former case, the preparation includes the collection of various documents and other information which may be required at the meeting, while in the latter case, it includes the issue of notices, proxy forms, etc.

The collection of documents may appear a difficult task and many a Secretary tires himself out on the day of the meeting and yet finds himself unequal to the task. But the collection can be made with perfect ease if only the Secretary is systematic and methodical. The work should not be postponed for the day

of the meeting, but should proceed gradually from the day of the previous meeting. It is always helpful to keep a folder labelled 'Next Meeting' and as things become ready for submission, letters and documents relating to them may be put into the folder. It is quite likely that some of these letters or documents will be required in the meantime by some of the departments. In such cases as soon as the documents are taken out, a note regarding their contents and whereabouts should be kept in the folder, so that on the day of the meeting the documents may be collected at a moment's notice.

We give below the principal duties of the Secretary in connection with meetings:—

Board Meetings:—

1. To issue notices of the Meetings to the Directors.
2. To prepare the agenda for the meeting.
3. To arrange for the attendance at the meeting of other officials of the Company such as Auditors, Solicitors etc. whom the Directors may desire to consult.
4. To have in readiness all documents requiring the attention of the Board. Cheques, transfers, share-certificates, etc. requiring signatures should also be kept ready.
5. To have in readiness the Company's seal, and an indexed copy of the Memorandum and Articles of Association for reference.
6. To get the signatures of the Directors in Directors' Attendance Book.
7. To read the minutes of the previous meeting.
8. To produce the Banker's Pass Book with a statement of the financial position of the Company.
9. To take down notes of the business transacted. This will form the basis of the minutes to be drawn up later on.

### General Meetings—

1. To see that the notices convening the meeting are issued in accordance with the Company's Articles to all the members.
2. To arrange for getting the Attendance Book signed by the members as soon as they arrive or alternatively, to see Admission cards to be signed and delivered by the members before they enter the meeting-room.
3. To look to the convenience of everyone attending the meeting.
4. To have in readiness a complete list of members, an indexed copy of the Company's Memorandum and Articles of Association, and all letters, documents, returns, etc. likely to be required at the meeting.
5. To keep prepared voting papers, a list of proxies lodged with the proxy-forms for inspection when required.
6. To read out the notice convening the meeting, the auditor's report and certificate.
7. To take down notes of proceedings for subsequent entry in the Minutes Book.
8. To assist the Chairman generally.

### General Procedure at Meetings

*Board Meetings*—On the day of the meeting the Secretary will first satisfy himself that he has at hand all letters, documents, reports, etc. which are likely to be required at the meeting. That done, he will be in attendance at the board room at least a quarter of an hour before the time of the meeting. This will enable him to look to the arrangements there and also to arrange his books and documents in such a way that they may be easily accessible. The Directors' Attendance Book should be opened at a new page, the date and place of meeting noted on it and the book placed on a table beside the entry or at any other convenient

position so that the Directors may notice it as they enter and put their signatures in it.

The business should commence at the appointed hour, or if a quorum is wanting, as soon as it is formed.

The proceedings will commence with the Chairman calling upon the Secretary to read the minutes of the previous meeting. After it has been read out, the Chairman will ask the members present if they consider the minutes correctly set forth. If that is the opinion of the meeting, one of the members moves that the minutes be confirmed and another seconds the motion. The proposer and seconder of the resolution will, of course, be persons who attended the meeting to which the minutes refer. Ordinarily, the approval of the minutes do not take the nature of a formal motion. (For occasions where the minutes are to be changed, see page 276).

The next item is usually "Matters arising out of the minutes." Here the Chairman or the Secretary can explain how certain directions have been carried out or state what progress has been made in a certain project.

Throughout the meeting, the Secretary should be very careful and make notes of all decisions arrived at. It is not necessary to make verbatim notes of the proceedings, but the notes should be complete and not vague and scrappy. The fuller these notes are the easier will be the Secretary's task of writing up the minutes.

*General Meetings*—The procedure at General meetings is in many respects similar to that adopted for Board Meetings on the day of the meeting. The meeting room must be arranged. Seats for the Chairman and other Directors are generally set at the head of the table, the other seats being meant for the general body of share-holders. Copies of agenda, reports, accounts, etc. are kept on the table for those attending the meeting. The Agenda Book with a detailed agenda is placed before the Chairman's seat. The Secretary will keep all necessary documents ready at hand.

As the share-holders enter, the Secretary's assistant, stationed at the door, will check their admission cards. Where

cards are not issued, arrangements should be made to take the signatures of the share-holders as they enter the meeting room.

At the appointed hour, the quorum formed, the Chairman will call upon the Secretary to read the notice convening the meeting. The auditor's report is usually the next item. The report and accounts of the directors come next and usually the Chairman asks the members already supplied with copies of the reports and accounts, to take them as read. He will then move the adoption of the report and accounts. Next the Chairman delivers his 'Chairman's speech' in which he may make a review of the year under consideration, draw attention to certain points in the accounts, speak on the prospects of the Company, move the resolution, etc. Some one will then second his motion. This may be followed by a discussion by the members, the Chairman answering questions raised by share-holders. As in other meetings, the Secretary will remain attentive and take down notes of proceedings.

We give below specimen forms of some of the letters, notices, resolutions, agenda etc. discussed above.

### 1. Letter of Allotment

Sir/Madam,

In response to your application, the directors have allotted you one hundred ordinary shares of Rs. 5/- (Rupees Five) each in this company, in accordance with the terms of the prospectus, dated.....

The amount payable on application  
and allotment at.....per share is Rs.....

You have already paid Rs.....

Amount due from you Rs.....

I am instructed to request you to pay the above sum forthwith to the company's Bankers, Bank of Bengal Ltd., 15, Clive Street, Calcutta.

By order of the Board

.....  
This form with remittance must be forwarded entire to the company's Bankers who will return it receipted. It should then be carefully preserved to be exchanged for the relative share certificate

in due course. Notice will be given by the company when certificates are ready for issue.

Cheques should be made payable to BEA:  
crossed NOT NEGOTIABLE.

Received for account of the New Trading  
Limited the above amount due on allotment.

For Bank of Beng.

Date.....

Cashier

Perforation

The New India Trading Company, Ltd  
Allotment

No...

Date.....

Rs.

## 2. Letter of Regret

Sir/Madam,

I am desired to express the regret of the directors that they are unable to allot to you any shares in this company in response to your application dated.....

I enclose an order on the company's Bankers for Rs..... (being the amount of your deposit) and shall be glad if you will sign the receipt at the foot of this letter and present the cheque along with the original Bank receipt. No other acknowledgment is necessary.

By order of the Board  
Secretary.

Order on the Bankers

Receipt

Received from the New India Trading Company Ltd.  
the sum of Rupees..... being the deposit paid by me  
on an application for..... shares.

Date.....

Revenue  
Stamp

### 3. Call Letter

See p. 287.

### 4. Notice of Ordinary General Meeting

The New India Trading Company Ltd.

Notice is hereby given that the second ordinary general meeting of the shareholders of the company will be held at the registered office of the company, 2, Wellington Square, Calcutta, on Monday, the 10th March, 19... at 2 p.m. for the following purposes—

1. To receive and consider the Report and Annual statement of Accounts and the Report of the Auditors thereon.
2. To sanction the declaration of a dividend.
3. To elect a director in the place of Mr..... who retires by rotation, but is eligible for re-election.
4. To appoint auditors and fix their remuneration.
5. To transact any other business of the company.

The transfer books of the company will be closed from the 3rd to the 11th March, both days inclusive.

2, Wellington Square,  
Calcutta.  
1st March, 19 .

By order of the Board  
R. N. Lohia,  
Secretary.

### Notice of Directors' Meeting

The New India Trading Company Ltd.

2, Wellington Square,  
Calcutta.  
15th September, 1945.

I have to inform you that a meeting of the Directors of this company will be held at the registered office of the



company on Monday, the 24th September, 1945 at 2-30 in the afternoon.

Business—General.

Yours faithfully,  
R. N. Lohia,  
Secretary.

## 6. Notice of Meeting on Requisition

The New India Trading Company, Ltd.

Notice is hereby given that in accordance with a Requisition deposited by the shareholders of the company, under the power conferred on them by section—of the companies Act, an extraordinary general meeting will be held at the registered office of the company at 2, Wellington Square, Calcutta, on Friday, the 28th September, 19.... at 3 p.m. when the following resolution will be submitted to the meeting to be passed in the prescribed manner as a special resolution.

(The resolution to be stated here).

2, Wellington Square,  
Calcutta.  
5th September, 1941.

By order of the Board  
R. N. Lohia,  
Secretary.

## 7. Agenda

(a) Board Meeting.

New India Trading Co., Ltd.

Agenda of Board Meeting, 15th March, 19...., 2 p.m. at the Registered office of the Company.

Present: Chairman.....  
Directors.....

In attendance—Secretary, R. N. Lohia.

Nos.	Items	Notes
1.	Minutes of the previous meeting	
2.	Arising out of the minutes	
3.	Cash Accounts and Bankers' Pass Book	
4.	Trading Returns	
5.	Share Transfers	
6.	Extension of office premises	
7.	Miscellaneous	

(b) Specimen page from the Agenda Book.

*Left-hand page*

The New India Trading Co. Ltd.  
Agenda  
of  
Board Meeting  
held on 15th March, 194.... at 2 p.m.  
at the  
Registered office of the Company.

1. Present.....  
In attendance.....
2. The minutes of the Board Meeting held on.....  
to be read and signed as correct.
3. Arising out of the Minutes:—
  - (a) Mr. N. S. Puri to report the result of the negotiation with Messrs. Ray, Tripathi & Co. of Allahabad regarding the appointment of this firm as sole agents of the company for Bengal and Bihar.
  - (b) The Secretary to report regarding the purchase of new office furniture and the tender accepted for the purpose.

4. Cash Accounts showing a credit balance of 1000 and Bank Pass Books to be produced and examined.
5. Trading Returns.
  - (a) Sales for the month ending 12th March, 1911 Rs. ....
  - (b) Orders in hand to be executed. ....
6. Submit Transfers numbered \_\_\_\_\_ to (inclusive) and sign certificates in favour of :
7. Consider advisability of extension of office hours.
8. Next Meeting.

*Right-hand page*

### Chairman's Notes

1. Messrs. R. N. Banerjee. Chairman.  
       C. K. Poddar  
       R. B. Nayudu } Directors.  
       S. N. Sasmal  
       N. S. Puri  
       R. N. Lohia Secretary.
2. Read, Confirmed and signed as correct.
3. Arising therefrom:—
  - (a) Mr. N. S. Puri reported his negotiations with Messrs. Ray, Tripathi & Co., Allahabad, regarding the appointment of this firm as the sole agent of Messrs. Ray Tripathi & Co., for Bengal and Bihar. As the appointment can be had only for 2 years for the present, the proposal is dropped.
  - (b) The Secretary reported regarding the purchase of new office furniture. The tender of the Calcutta Furnishers Ltd. for Rs. 1,132 is accepted.
4. Cash Account and Bank Pass Books examined and found agreeing.
5. Returns considered and approved.
6. Transfers approved. New certificates numbered—to— (inclusive) ordered to be signed and sealed.

7. Messrs. Banerjee, Poddar and Nayudu appointed Committee to draw up a scheme of extension and report.
8. Next Meeting—3rd April, 19.....3 p.m.

R. N. Banerjee,  
Chairman.

(c) Ordinary General Meeting.

The New India Trading Co., Ltd.

Agenda

of

Second Ordinary General Meeting,

held on the 14th February, 19....at 2 p.m.

at the

Registered office of the Company.

1. The Secretary to read the notice convening the meeting.
2. The chairman to ask the meeting whether the Directors' Report and Accounts as printed and submitted should be taken as read.
4. (a) The chairman to address the meeting on the company's position and prospects and  
(b) Move,—

“That the Annual Report and Accounts as audited and certified by the Company's auditors and now submitted to the meeting be and are hereby approved and adopted.”

- (c) Mr.....to second the motion.
- (d) Invite share-holders to discuss any points arising out of the motion.
- (e) Reply to questions, if any.
- (f) Put the motion to the meeting and declare the result.
5. (a) The chairman to move,—  
“That the dividend recommended by the directors *viz.*, 10% on the ordinary shares of the company for the year ending..... be and is hereby approved and that the dividend be paid.

forthwith to those of the company's shareholders whose names appear on the Register of Members on 3rd March ———.

(b) Mr..... to second the resolution.

(c) Put the motion to the meeting and declare the result.

6. (a) Mr. P. Ray to move,—

“That Mr. R. Das be, and he is, hereby re-elected a director of the company.”

(b) Mr. P. Srinivasan to second the motion.

(c) The chairman to put the motion to the meeting and declare the result.

7. (a) Ask a share-holder to move—

“That Messrs. Sen, Banerjee & Co. of 10, Old Court House St., Calcutta, be and are hereby re-elected Auditors to the Company to hold office until the next Annual Meeting, at a fee of Rupees Five Hundred only.”

(b) Ask another shareholder to second the motion.

(c) The chairman to put the motion to the meeting and declare the result.

8. The chairman to declare the proceedings to be at an end.

## 8. Resolution.

(a) Filling a casual vacancy on the Board:—

“That Mr. P. N. Ray be and he is, hereby appointed a Director of the Company in the place of R. N. Sen (who has resigned) for the rest of the period for which Mr. R. N. Sen was elected viz., until the next Annual General Meeting.”

(b) Making a call.

“That a Call of Rupees Five per share be made upon the Ordinary shares numbered.....to..... of the company, such call to be payable to the company's banker's, the Bank of Bengal, Ltd., 10,

Clive Street, Calcutta, and that the Call Letters be issued to the shareholders on 1st May.....”

(c) Appointing a Committee.

“That Messrs.....  
be and they are, hereby appointed a committee of the Directors with power to exercise any of the powers of the directors in respect of the approval and signature of agreements or contracts arising in the ordinary course of the company’s business, and to affix thereto the company’s seal. That the committee shall elect a chairman among themselves and that two directors shall form a quorum. That a report of all business transacted by the committee be submitted to the next succeeding Board Meeting.

9. Admission Card.

Admission Card.

No. 539.

The Second Annual General Meeting of  
The New India Trading Co. Ltd.

*Admit* the bearer of this card, Mr. H. N. Nundy, a member of this Company, to the Annual General Meeting to be held at 2, Wellington Square, Calcutta on 16th March, 19.....at 3 p.m.

Member’s Signature.....

Note.—Please sign this card beforehand to facilitate checking.

10. Minutes.

(a) The New India Trading Company, Ltd. Minutes of the Board Meeting of Directors held on the 15th March, 19.....at 3 P.M.

at  
the Registered Office of the Company.

Present—

.....Chairman.

.....	}	Directors.
.....		
.....		
.....		
.....		

In attendance—R. N. Lohia, Secretary.

Min. No.	Subject of Minute.	Details of Minutes.
1.	Previous Meeting.	The minutes of the previous meeting of the Board of Directors held on..... were read, confirmed and signed.
2.	Sole Agency of Messrs. Ray, Tripathi & Co.	Mr. Puri reported that the appointment of this firm as the sole agent of Ray, Tripathi & Co. for Bengal and Bihar can be had for only two years for the present. It was unanimously Resolved: "That the Company is unable to accept the Sole Agency of Messrs. Ray, Tripathi & Co. Allahabad for only two years."
3.	Office Furniture.	<p>The Secretary reported that according to the instructions of the Board, given at a meeting held on.....February..... he had obtained a tender from the Calcutta Furnishers for Rs. 1,132/-</p> <p>Resolved that the said tender be, and is, hereby accepted.</p>

Min. No.	Subject of Minute.	Details of Minutes.								
4.	Cash Account.	<p>A statement of Cash Account was submitted showing.</p> <table><tr><td>Balance on current a/c</td><td>Rs.</td></tr><tr><td>Amount on Deposit</td><td>Rs.</td></tr><tr><td colspan="2"><hr/></td></tr><tr><td>Total</td><td>Rs.</td></tr></table>	Balance on current a/c	Rs.	Amount on Deposit	Rs.	<hr/>		Total	Rs.
Balance on current a/c	Rs.									
Amount on Deposit	Rs.									
<hr/>										
Total	Rs.									
5.	Trading Returns.	<p>The Bank Pass Books for Current and Deposit accounts were produced and examined. The Reconciliation account was found agreeing with the Pass Books.</p> <p>The Trading Returns Book was examined and approved. The figures for the month ending 12th March.....compared with the figure of the corresponding period of the previous year showed a substantial increase. The unexecuted orders on hand also showed a slight increase.</p>								
6.	Transfer & New Certificates.	<p>The Secretary submitted Transfer Deeds numbered——to——(inclusive). Resolved: That the said transfer be, and is hereby approved, and that new Share Certificates numbered——to——(inclusive) be signed and sealed.</p>								
7.	Extension of office Premises.	<p>Resolved: That Messrs. Banerjee, Podder and Nayudu be and are hereby appointed Committee to draw up a scheme of extension and report.</p>								
8.	Next Meeting.	<p>Resolved that the next meeting of the Board be held on——March——, at 3 P.M., at the registered office of the Company.</p>								



(b) The New India Trading Company, Ltd.

Minutes of Second Annual General Meeting  
held on the 10th March, 19.....at 2 P.M.

2, Wellington Square, Calcutta.

Present.....Chairman.

..... }  
..... } Directors.  
..... }

and 58 shareholders as signature list attached.

In attendance—R. N. Lohia, Secretary.

in. o.	Subject of Minute.	Details of Minutes.
1.	Notice of Meeting.	The Secretary read the notice dated.... convening the meeting.
2.	Report and Accounts.	The Report and Accounts of the Directors, previously circulated, were taken as read.
3.	Auditors' Report.	The Secretary read the Auditors' Report upon the Company's Accounts and Balance Sheet.
4.	Chairman's Speech.	The chairman addressed the meeting on the company's position and prospects, invited discussion and replied to the questions raised by the members.
5.	Adoption of Report and Accounts.	It was then proposed by the chairman, seconded by Mr.....and, Resolved: "That the Annual Report and Accounts as audited and certified by the company's auditors and now submitted to the meeting be and are hereby approved and adopted."

Min. No.	Subject of Minute.	Details of Minutes.
6.	Dividend.	<p>The chairman then proposed, Mr..... seconded and it was unanimously Resolved: "That the dividend recommended by the directors, <i>viz.</i>, 10% on the ordinary shares of the company for the year ending.....be, and is hereby approved and that the dividend be paid forthwith to those of the company's shareholders whose names appear on the Register of Members on 3rd March———.</p>
7.	Re-election of Mr. R. Das as Director.	<p>It was proposed by Mr. P. Ray, seconded by P. Srinivasan and Resolved: "That Mr. R. Das be, and he is, hereby re-elected a director of the company.</p>
8.	Re-election of Auditors.	<p>Mr.....proposed, Mr..... seconded and it was Resolved: That Messrs. Sen, Banerjee &amp; Company of 10, Old Court House Street, Calcutta be and are hereby re-elected auditors of the Company to hold office until the next Annual General Meeting at a fee of Rupees five hundred only.</p>
9.	Vote of thanks.	<p>The chairman having declared the business of the meeting completed, a vote of thanks was, unanimously accorded to the chairman and other members of the Board for their services during the preceding year. To this the chairman responded in suitable terms.</p>

## The Private Secretary.

Private Secretarial Work is full of interest and variety. At the same time, the position is one of great confidence and not infrequently very exacting. Besides a good general education, the private secretary should have a previous training in secretarial work. Tact, discretion and stout common sense are essential qualifications for him. He should be punctual and methodical in his habits, and cheerful and equable in temperament. He should be ready to take even unmerited blame in good part and avoid attempts to justify himself. Above all, the secretary must be prepared to identify his interest with those of the employer. Frequently, the secretary's work is of a confidential character, the leakage of which may be of much consequence to the chief. "Never discuss your employer, his affairs or your duties"—should be the first rule with the secretary. The outsiders may sometime try to fish out information from the secretary. The able secretary will smell it at the very outset and be on his guard. He will not be rude with the outsiders in such cases, but tactfully direct the conversation into a different channel. In some cases, he may even appear as an ignorant fool than give out information of confidential affairs entrusted to him.

In engaging a private secretary, the employer's object is to relieve himself of some of his own affairs, by shifting them to the secretary. So, the secretary has, in most cases, to look to the chief's routine work such as arranging engagements, attending correspondence etc., to receive calls and interview people on behalf of the chief; maintain account of the chief, make payments etc., keep a register of the chief's investments etc., etc.

In the following pages a broad outline of some of the principal duties will be given,—those in connection with accounts being left out altogether.

## The Days' Work.

In most cases the secretary has a busy day full of frequent interruptions. There will be calls to receive, telephone calls to

attend to and calls from the employer. Such being the case, it is imperative that the secretary should have a well set out plan for his day's work, so that inspite of the interruptions he may execute his day's duties completely and satisfactorily. The following practical hints may be useful:—

Arrive at your office a few minutes before the office starts and set your table in order and see that the table of your chief is tidy and well ordered. Get the ink-well filled, the blotting paper changed, pencils sharpened, in short, get everything ready. Refer to the diary and ascertain the day's work. Of these some will have to be got ready before lunch, *e.g.* urgent letters, money to be sent to bank etc. Put down everything of importance to be remembered in the Diary. At the end of the day, do not forget to check up that every item has been attended to.

### Callers.

It is the duty of the secretary to receive every caller and that with a pleasant welcome. Even the most undesired caller should be so treated that when he goes away, he may carry with him a pleasant impression of the interview. The secretary should see that the room in which he receives callers is scrupulously clean and his table tidy. These will create the first impression on the caller.

It is also the duty of the private secretary to see that the chief is not bothered by undesired or unnecessary callers. He should first obtain the name, address and business of each caller. This should be done very tactfully. Abrupt cross-examination will be justly resented by every one. If the call concerns a matter which the chief alone can deal with, the secretary should acquaint the chief with the particulars, and await his wishes. He must not show in any one to the chief's room unless the chief desires to see him.

In many cases, the calls are such as may be dealt with by he secretary without any reference to the chief. Here again, he secretary has to be very tactful. The caller should be given o understand that the chief is otherwise very busy and the

secretary does not want the caller to be waiting indefinitely. The caller should be given the impression that it is in his interest that the secretary is dealing with his case and that the secretary knows everything in connection with the business.

It is desirable that the secretary should have a diary ready at hand. In it the name, address and purpose of each caller should be entered and after the interview is over, a short note made of it. This may be of use for reference.

### Telephone.

Everyone is now well acquainted with the use of the telephone. Still it will not be out of place to mention some of the technical details which should be attended to during the making of a call.

Before passing a call to the Exchange, one must wait for the operator's "Number please?" and then speaking clearly and distinctly, with lips almost touching the mouthpiece, state the name of the exchange followed by the number. 'Do not say "please" after mentioning the number to the operator. Wait for her to repeat it and then if you wish, say "yes, please".'

In the newer automatic system, the caller gets through himself by dialling the number he requires. The method is described in details in every Telephone Directory.

The distinctive sounds of consonants are very often blurred in the transmission of speech by telephone, and words with same vowels often sound alike. This can be obviated to a great extent by pitching the voice low and emphasising the consonants.

A hint regarding the correct way of calling out double or treble numbers may be useful:—

225	should be rendered	Double-Two-Five
5570	" "	Double-Five-Seven-Oh
4443	" "	Double-Four-Four-Three
4444	" "	Double-Four-Double-Four
6442	" "	Six-Four-Four-Two
2333	" "	Two-Three-Double-Three

The secretary must be prompt in receiving a call and on no account the bell be allowed to ring on for long. On picking up the receiver he should not say "Hallo" or "Who's there?", but should immediately indicate who is receiving the call by a reply like "Mr. Sen's secretary speaking". Mr. Apte at his office, would say, "Apte & Co., Mr. Sheushankar Apte speaking"; his clerk would say "Mr. Apte & Co." If the caller's voice can be recognised at once, a pleasant impression may be created by a reply like, "Good morning, Mr. Joshi. This is Mr. Ray's secretary speaking.

It is always advisable to have a Telephone Message Book in which to put down the name and address of the caller as the call proceeds, and when the call is at an end, the message, action taken and such other necessary details may be put down with advantage.

### Correspondence.

See previous Chapters.

### Proof-Correction.

In proof correcting certain recognised symbols are used for instruction to the compositors. The principal symbols in general use are not very numerous and a careful reading of the principles given below and practical application of them on one or two sheets of proof will enable the student to pick up all that he need to know in the matter. At the end of this Chapter will be found a specimen of a corrected proof showing the use of the symbols.

The press will supply proofs printed on inferior paper, in long sheets. All corrections must be made on the margins of the proof sheets, and care should be taken that the corrections are neat and on the same level with the line in which the errors occur. Corrections should be made on the right hand and left hand margin according as the errors occur in the right half or the left half of the line. When several errors occur in the same line, corrections should be made in the margins in the same order in which mistakes occur.

When revising proofs which have been corrected by the compositors, one should not rest content by verifying the corrections only, but should go through the entire matter once again. This is especially necessary in linotype setting where each correction involves the lifting and resetting of an entire line.

It should be realised that any alteration in the printed matter will involve delay. The able proof reader will, therefore, try to reduce re-setting to a minimum and thus save the compositor's time and labour.

1. *Change of Characters*—When the character of a letter is to be altered, draw a vertical line through it; in case of a word, draw a horizontal line through it; and in the margin write—

- (a) For capitals, *caps*;
- (b) For small capitals, *sm. caps*;
- (c) For 'body type', *i.e.*, type in which the body of the book is printed, *l.c.* (*i.e.*, lower case);
- (d) For italics, *ital*;
- (e) For roman, *rom.*;
- (f) For capital letter in place of a small letter, the capital letter.

2. *Omissions*—All cases of omissions—whether of a letter or word or punctuation mark—are indicated by drawing a caret where the omission occurs, but the symbols of correction made in the margin differ according to the nature of the omission. This may be shown as follows:—

<i>Nature of omission.</i>	<i>Correction in the margin.</i>
----------------------------	----------------------------------

- |                              |  |
|------------------------------|--|
| (a) A letter.....            | the letter followed by a caret.  |
| (b) A word.....              | the word followed by a caret.  |
| (c) A comma or<br>semi-colon | $\left. \begin{array}{l} \text{a comma or semi-colon followed} \\ \text{by a caret.} \end{array} \right\}$ |
|                              |  |
| (d) A full stop.....         | a full-stop with a circle described round it followed by a caret.  |

(e) A colon or colon with dash } { a colon or colon with dash with  
a circle round it followed by  
a caret.

(f) A hyphen or dash... a hyphen or dash, between two vertical lines.

(g) An apostrophe or quotation marks } { an aspostrophe or quotation marks placed on the forked top of an oblique line.

(h) Several words or lines.....out see copy.

3. *A wrong letter, word or punctuation mark*—Draw a vertical line through the wrong letter or punctuation mark, a horizontal line through the wrong word; then state the correct letter, punctuation mark or word in the margin. This correction in the margin is to be followed by an oblique line drawn from right to left (thus / ). The full stop, colon, or colon with dash should have a circle described round it.

4. *Superfluous letters or words*—Draw a vertical line through the superfluous letter, but horizontal line through the superfluous words, and in the margin write *d* followed by an oblique line. This symbol indicates *delete* or *cancel*.

5. *A turned letter*—Sometimes a letter will be found upside down. Draw a vertical line though it and make a curl in the margin.

6. *Too much space*—When two letters or words require to be joined together, draw a pair of curves, one above and one below the line, from the letter to letter or word to word where the space occurs, and put in the margin similar curves followed by an oblique line. This indicates *close up*.

7. *Space Wanted*—Draw a caret where additional space is required and put in the margin a crotchet followed by a caret.



8. *Spacing between lines*—When two lines are too close together, draw a horizontal line indicating where it occurs, and in the margin write *ld.* followed by an ablique line. The letters *ld.* stand for leaded.

9. *Transposing word or letters*—Sometimes a word in a line is not in the proper place and requires to be shifted. Draw a curved line passing over the word and below the word or words after which it is to be shifted and in the margin write *trs.* followed by an oblique line. This indicates *transpose*. The same principle applies to transposition of letters.

10. *Wrong Fount*—When a wrong sized letter appears in a word, or an italic instead of a roman or *vice versa*, draw a vertical line through the letter and write in the margin *wf.* followed by an oblique line.

11. *Deformed or Broken Letters*—Draw a vertical line through the letter and in the margin mark a cross followed by an oblique line.

12. *Wrong Paragraphing*—In order to run two paragraphs into one, draw a curved line from the last word of the first paragraph to the first word of the second paragraph and in the margin write *Run on*.

13. *New Paragraph*—When a new paragraph is to be made, place a crotchet before the word which is to commence the new paragraph, and put another crotchet in the margin. *N.P.* may also be written in the margin.

14. *Unevenly-set Letter*—When the letters in a word are not evenly set, draw two horizontal lines, one above the word and another below it, and in the margin draw two similar lines.

15. *Wrong Range*—When a line juts out into the margin, draw two vertical parallel lines beside it in the margin, and write in the margin *Range*.

16. *Printer's Space*—Sometimes a printer's space will be found standing up between two words. Draw a vertical line through it and in the margin draw two lines, one standing on the other so as to look like a hammer. This indicates that the space should be pushed down.

17. *Stet*—When a word or a sentence is crossed out by mistake, and it is desired that the word or sentence should remain, dots should be placed under each letter and *stet* written in the margin.

Let us now suppose that we want to get the following lines from *The White Knight* printed.

"I hope you've got your hair well fastened on?" he continued, as they set off.

"Only in the usual way," Alice said, smiling.

"That's hardly enough," he said anxiously. "You see the wind is so *very* strong here. It's as strong as soup."

"Have you invented a plan for keeping one's hair from being blown off?" Alice inquired.

"Not yet," said the Knight. "But I've got a plan for keeping it from *falling* off."

"I should like to hear it very much."

"First you take an upright stick," said the Knight. "Then you make your hair creep up it, like a fruit-tree. Now the reason hair falls off is because it hangs *down*—things never fall *upwards*, you know. It's my own invention. You may try it if you like."

The proof arrives and we have to make necessary corrections, bearing in mind the symbols described above. The proof sheet with corrections is shown below. This corrected proof will

then be sent to the press again with a note to corrections and send another proof. Several readings may be necessary before print order can be given.

Q "I hope you've got your hair well fastened on?" he continued as they set off. "Only in the usual way," Alice said, smiling.

W "That's hardly enough," he said anxiously.

Run on out. "You see the wind is so very strong here. It's as soup."

Q "Have you invented a plan for keeping one's hair from being blown off?" Alice inquired.

l.c. "Not yet", said The Knight. But I've got a plan for keeping it from falling off."

"I should like to hear it very much."

=/ you. "First you take an upright stick," said the Knight. "Then make your hair creep up it, like a fruit-tree. Now the reason hair falls off is because it hangs down. Things never fall upwards, you know. It's my own invention. You may try it if you like."

## EXERCISES ON CHAPTER XXXI

1. Write out a typical notice (including an appropriate agenda) for a company shareholders' Annual General Meeting. (*C. U. 1936*).
2. Draft Resolutions (1) declaring an Interim Dividend; (2) making a call; (3) appointing a Committee; (4) authorizing the sealing of a contract. (*C. I. S. Inter.*).
3. Draft the imaginary minutes with agenda of the annual meeting of the Board of Directors of a Joint Stock Company.  
(*All-India Dipl. 1949*).
4. Draft the notice convening an annual general meeting of a limited company at which it is proposed to declare a dividend.
5. Draft a Resolution of Directors to appoint a director to fill a casual vacancy on the Board. (*C. I. S. Inter.*)
6. Draft Directors' Resolutions (1) to issue Prospectus; (2) to call an Extraordinary General Meeting. (*C. I. S. Inter.*)
7. Draft the following Resolutions of a company (1) to increase Capital, (2) authorizing the issue of Debentures (*C. I. S. Inter.*)
8. Draft a form of resolution re-appointing auditors at a general meeting where no change is to be made in their remuneration.
9. Draft the Minutes of a Company's Ordinary Annual General Meeting, including the declaration of a dividend. (*C. I. S. Inter.*).
10. Draft the Agenda for a Company's Annual General Meeting.  
(*C. I. S. Inter.*).
11. Draft a notice of a Meeting to alter Articles of Association.  
(*C. I. S. Final.*).
12. Draft a notice announcing the Declaration of an Interim Dividend.  
(*C. I. S. Inter.*).
13. Draft a report of a committee of directors as to the advisability of erecting new premises.
14. Your Company's building has partially collapsed and killed a workman, a clerk and a stranger who happened to be passing. Write a report on the occurrence. (*C. I. S. Inter.*).
15. You are the secretary of a public company which has not issued a prospectus. You are asked to advise the directors regarding a proposed offer of shares to the public for subscription. Write a short report for them.

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